

OCTOBER, 1938

TWENTY-FIVE CENTS

CURRENT HISTORY



ROOSEVELT and the PRIMARIES, by Raymond Clapper
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A flower seller at Capetown.

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THE ISSUE

● The gentleman on the cover needs no introduction. During the last few weeks he has asked members of the Democratic Party to exercise great discretion in their Congressional nominations. The cry has gone up that he is acting without precedent. **Raymond Clapper**, prominent Washington correspondent, discusses this and other phases of the President's participation in *Roosevelt Tries the Primaries*.

● **Winston Churchill** is coming back to this country looking to the left of him. The last time he was here he was injured by an automobile as he stepped off a curb. He explained that traffic in London runs the other way and he had been looking to his right. Curiously, London traffic and present British government policy both seem to stem from the same direction. Mr. Churchill feels very strongly about the Chamberlain regime, especially in its handling of foreign affairs. He thinks the policy of conciliation towards Hitler not only futile but likely to have dangerous repercussions. Mr. Churchill also believes that unless Great Britain—well, we suggest you read Mr. Churchill's article, *What Can England Do About Hitler?* Mr. Churchill's new book, *While England Slept*, will shortly be published in this country.

● Pity poor Czechoslovakia. There is nothing to stand between her and the snarling, hungry German wolf except one of the most compact and powerful military machines on the Continent. That plus a few friends who seem determined to keep the wolf from Czechoslovakia's door. **Octavia Goodbar**, who has just returned from a trip to Czechoslovakia, tells about the nation's remarkable military and industrial organization in *Europe's Powerful Midget*.

● After this issue, **Stanley High** may be known—at least to *CURRENT HISTORY* readers—as the Civic Cleanup Man. Last month, he wrote a piece on St. Paul's victory over the underworld. This month Mr. High moves on to Cleveland where the story is somewhat similar, though not one whit less interesting. Mr. High's article is called *Cleveland Versus the Crooks*.

● Not the least of **Edwin Ware Hullinger**'s distinctions is a film-biography of Benito Mussolini, starring none other than Il Duce himself. Mr. Hullinger is also interested in small towns. He paid a recent visit to Goenningen, a small town in Germany's Schwaebish Highlands just to see how the small-town folk live and what they really think about Nazi-ism and Mr. Hitler. The report of his observations is contained in the article, *The Story of a German Town*.

● **Genaro Arbaiza**, *CURRENT HISTORY*'s specialist on Latin-American affairs, concludes his analytical study of Peru in this issue with *South America's No. 1 Tyranny*. The first article, dealing with Oscar Benavides, head of the state, appeared in the May issue.

CURRENT HISTORY

OCTOBER, 1938

Editor and Publisher, M. E. TRACY

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● Wouldn't you think that having a town named after you is sufficient inducement to stay there? **Malcolm Rosholt**, who was born in Rosholt, Wisconsin about 30 years ago, apparently did not think so at first, because he left Rosholt for China, where he became an editor of the *China Press*. But after a half dozen years in the Far East he has come back to Rosholt again. On the return trip, by way of Europe, he collected interesting information on the Continent's elaborate air raid precautions. This material is presented in *A.R.P.*

● *CURRENT HISTORY* is claiming credit for a new type of quiz. In its advertising at the present time, it is featuring a match-

ing game, testing the reader's knowledge of authors who are specialists in world affairs. In one column are listed the names of authors whose articles will appear in early issues of the magazine. Alongside, in a second column, are listed the titles of their articles, none of which is in proper order opposite the name of the author. Readers are invited to match the author with the title which indicates most closely his specialty. Yes, there have been prizes. So far, response to the test indicates a wide knowledge of both authors and the articles they would be most likely to write. The editors will be glad to sent *CURRENT HISTORY* readers copies of the new quiz upon request.

The World Today in Books

IT IS annoying to observe the persistency of those who answer every criticism of Japan's present butchery in China with the remark that "Americans just don't understand the Japanese" and that there is something "different" about the race we must fully comprehend before we can possibly attempt to pass any judgment.

But what is it about Japan that is so difficult to understand? Not even the Japanese Emperor will deny that his country has invaded a neighboring state without even the formality of a declaration of war. Nor is there any doubt that the thousands of objects being dropped by Japanese planes upon Chinese civilians are not packages of food but death. And those barrelled instruments operated by uniformed Japanese have not been spraying the Good Earth with seed but with lead, amazingly effective in the mass destruction of human life. Surely there can be no mistake, no possibility for misunderstanding about this.

That is why this department raises its editorial eyebrows when it opens *Japan: The Hungry Guest*, by G. C. Allen and reads: "Japan has a civilization very different from our own and since few Englishmen have made intimate personal contacts with her people, writers are tempted to subsume under a few sweeping generalizations all those multitudinous individual differences which distinguish the members of any nation . . . Those who have lived in Japan know that such generalizations are misleading, and they resent them accordingly. Japan has, moreover, been ill-served by her friends in Western countries."

These represent the more pointed of Mr. Allen's comments on our lack of a proper understanding of Japan and things Japanese. But in fairness to him, we admit that the omission dots in the foregoing paragraph represent the exclusion of arguments which he feels justifies such a view. There are for Mr. Allen two Japans: one, the industrial, cultural Japan which shows her at her best; the other, military,

imperialist Japan which shows her at her worst. For her virtues, he loves her. For her sins, he—well, he dislikes but tolerates her. And it is the first Japan, the Japan of virtues, that Mr. Allen would want the world to understand.

But to Americans today there is only one Japan. It cannot be otherwise. Until such time as Japan leaves China to the Chinese, until it definitely ceases destroying a civilization from which it has drawn its own culture, can Americans be expected to entertain any affection or admiration towards either the nation or its people. By their bombs ye shall know them. A nation engaged in invasion has no right to ask us: "Give us your understanding and your sympathy. We have a brighter side." And if the answer of Americans is that their attitude towards war is no different towards war-like nations, Japan and those who feel she has been unjustly treated have no cause for complaint.

This is not to say that Mr. Allen's book lacks value; far from it. It explains in great detail the progress made by the Japanese in their industrial and, in some respects, their cultural development. It succeeds in explaining customs and traditions of the Japanese people which make them an individual race. It continuously strives for an objectivity, commendable at times but redundant at others. Every effort is made to emphasize that the author does not approve of the present war; yet he feels that "abhorrence of Japan's present policy ought not to cause us to withhold sympathy from her in the difficult problems with which

she is faced." There is no consideration, however, as to whether such sympathy is deserved. One does not sympathize with the lion who is experiencing difficulty in digesting the lamb.

This is no book to appraise with a single adjective. For its analysis of industrial and cultural Japan one can say that it is interesting, well-integrated and reveals sound, careful research. For its admonitions to Japan, that she will have to alter certain of her nationalist and military bents if she wants to avoid the severity of their consequences, one can say that it is not uncritical. But for its plea for sympathy and understanding it is perhaps premature. Do Americans ask for the sympathy or understanding of Japan, or any other nation, for that matter? The answer is that when a nation is not at war, has no aggressive designs, nothing to hide, it needs neither sympathy nor understanding. What it usually does earn, however, is respect.

RETURNING, for the moment, to Mr. Allen's contention that those who have lived among the Japanese are among the least violent of their critics, their department introduces in evidence Exhibit A: *Imperial Japan, 1926:1938*, by A. Morgan Young. Mr. Young lived in Japan for at least a dozen years preceding the present war. He knows the Japanese, understands them thoroughly. He has marvelled at their industry, doffed to their culture, admired them for their honesty, gloried in their hospitality, thanked them for their courtesy. Mr. Young, will you please take the stand?

Books Reviewed in This Issue

BOOK	AUTHORS	PUBLISHER	PRICE
<i>Japan: The Hungry Guest</i>	G. C. Allen	Dutton	\$3.00
<i>Imperial Japan: 1926-1938</i>	A. Morgan Young	Morrow	3.00
<i>March of the Iron Men</i>	Roger A. Burlingame	Scribners	3.75
<i>Building the British Empire</i>	James Truslow Adams	Scribners	3.50

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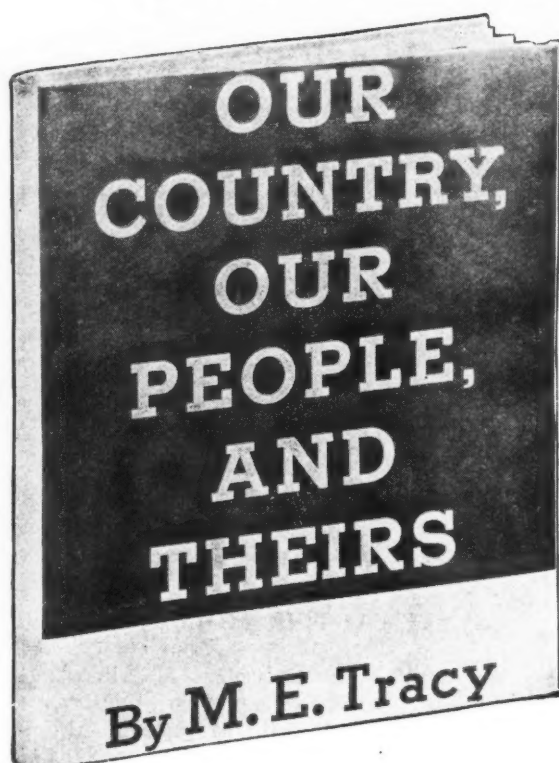
Photography and the American Scene

by **ROBERT TAFT**

Telling for the first time the part played by photography in our social, artistic, literary and political life. \$10.

THE MACMILLAN COMPANY, NEW YORK CITY

Here are the facts and figures which show that Democracy contributes more to the welfare of mankind than any of the superstate governments



ALMOST daily I meet with some question regarding conditions in the world today which this book clearly answers. But far beyond the average questions arising in daily conversations will one find interest and appeal in this altogether timely study by Mr. Tracy. . . . After reading this book, I am more grateful than ever before that I am an American; and I must add, more concerned than ever before for the perpetuation of our American idea and ideal of government." — *The Atlanta Constitution*.

BY ITS well-presented material, the book provides an eloquent answer to its author's main question: "To what extent has the one-party superstate demonstrated its superiority?" — *Newsweek*.

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MR. TRACY's facts and diagrams bear out a profound truth, often omitted from careless political prophecy, which is that this country is essentially different from any other in virtually all important respects, material and spiritual, and may not therefore be counted upon to follow European rules." — *New York Post*.

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CH 9-38

Q. Are you the same A. Morgan Young who wrote *Japan in Modern Times, 1912-1926*?

A. Yes.

Q. What is the purpose of this new work?

A. I have attempted here to present a sequel to my first book on Japan, though it is only part of the same story in the sense that it continues to record.

Q. Did you collect the material at first-hand in the period 1926-1938?

A. During ten of the eleven years I was seldom absent from the editorial desk of the *Japan Chronicle*, so there was little about current events that did not come my way, and I have tried to select from the mass the most significant and most closely related.

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Q. For purposes of discussion, Mr. Young, let us pass over the first few years of the Showa Era and begin with a consideration of the Japanese seizure of Manchuria in 1931. Did not Japan at that time contend that the world did not understand her; that even the members of the League of Nations were not qualified to say anything about her Manchurian campaign?

A. Yes; it was insisted upon that at Geneva nobody but the Japanese delegates understood the facts of the case, and the constant reiteration that everything was done in self-defense, that nobody was more anxious for Japan to withdraw than was Japan herself, and that all provocation came from the Chinese side. (Page 98.)

Q. What did the Japanese people think about the Manchurian invasion?

A. So far as the people at large were concerned, there was nothing to raise a doubt as to the righteousness of the cause. (Page 98.)

Q. And, Mr. Young, did Japan withdraw?

A. No.

Q. Did Japan offer any specific reasons for the invasion at the time?

A. The Russian menace was made the most of in Japan. The certainty that Russia wanted to keep out of the business made it safe enough to use this means of eliciting sympathy in "capitalist" countries. That Russia was corrupting China was always a good line to take. (Page 106)

Q. After the Manchurian incident of 1931, the next explosion came at the beginning of the following year?

A. Chinese feeling was bitter over Manchuria. Five Japanese came swagging down the street in Shanghai banging their drums; it led to a collision with a group of Chinese workmen. The Japanese were badly beaten. (Page 134)

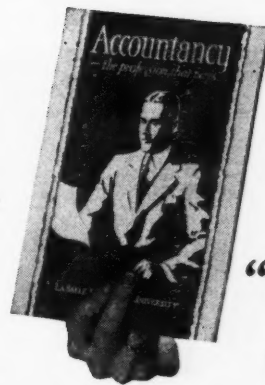
Q. Did the Japanese retaliate?

A. Several times. They stormed a factory, set fire to it and adjacent buildings, and ran amok through the town. (Page 135)

Q. But whose fault was it in the first place? Did not the Chinese mob provoke the attack?

A. Actually, the Chinese mob was absolved, the Shanghai disturbance had little to do with Japan's making war upon China at the time. The aggressor chose his own time and his own place, and was not hurried into unforeseen combat. (Page 137-9)

(Continued on page 62)



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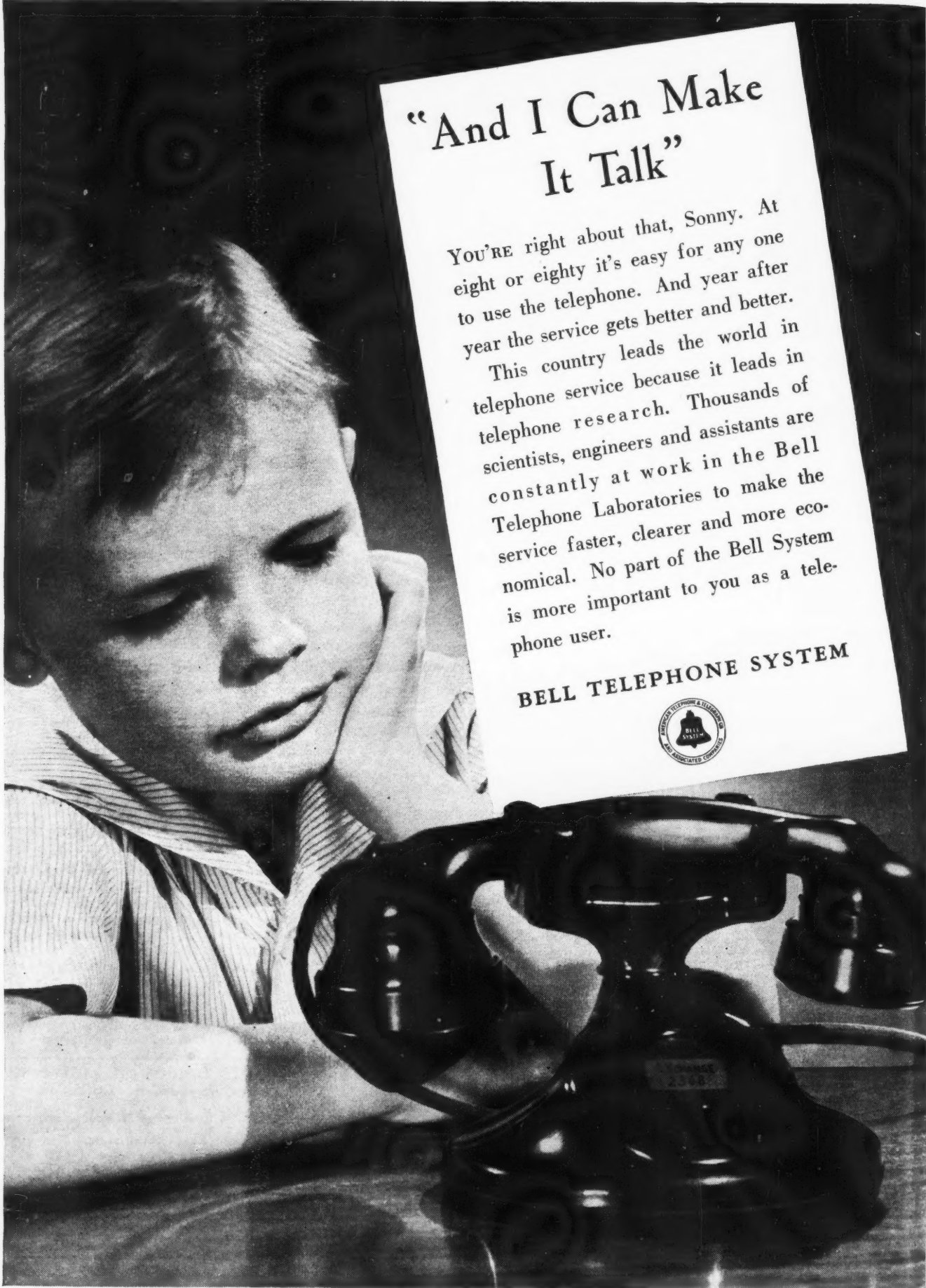
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NEW Deal strategists have been looking for thunder exclusively on the Right. That is why they were caught off guard in California. Sheridan Downey and his associates not only attacked from the Left, but with a super-dose of the New Deal's own medicine. Where the New Deal promised something for nothing, the Downey coalition promised more. People liked the prospect of "\$30 Every Thursday" for persons over fifty, just as they liked the prospect of renting homes below cost, or getting Government checks for not planting crops. Senator William Gibbs McAdoo, put forward as the Administration's fair-haired boy, the Simon-pure 100 per cent yes-man, was bowled over. It required several days for National Democratic Chairman Farley to recover from the shock. He did, however, and now is quite willing to do anything he can to help Mr. Downey.

Not only New Dealers but their antagonists look upon Senator McAdoo's defeat as a setback for the New Deal. It is hard to follow their reasoning in this respect. Simple logic suggests that he was sidetracked for a more optimistic and enthusiastic New Dealer who dared to go a little farther than the rest.

No doubt the "\$30 Every Thursday" idea was a derivative of the Townsend movement, but both it and the Townsend movement seem to be derivatives of the bigger idea that Government can give a lot of people something for nothing if allowed a free hand in the matter. Certainly you cannot quarrel with the objective of providing an adequate livelihood for people over fifty any more than you can quarrel with the objective of providing grants and gratuities for anyone who needs them. It may be rather fantastic from a practical standpoint, but so are a good many other things which we have tolerated because the objective appeared desirable.

The trouble is that we have made objectives the all-important requirement, ignoring the perfectly obvious fact that the possibility of attaining them is what really counts and that the methods employed generally determine what they really are.

There never has been any great disagreement over objectives. Some of the worst war-lords of history have claimed that they fought for peace. Some of the worst mountebanks have contended that they

cheated, embezzled and robbed for the sole purpose of doing good. Few people have the temerity to admit that they are against peace justice, philanthropy, education and similar objectives. They fall out over the program of how to attain the desired end. Take this idea of "\$30 Every Thursday" for persons over fifty, and who wants to say that it is wrong or undesirable? Certainly not older people who would get direct benefit, or younger people who might otherwise have to support them; and the idea of paying it by the simple method of licking a two-cent stamp every week for each dollar advanced during the period of one year sounds mighty plausible until you remember that someone has to buy the stamps. If the holder bought all the stamps, he would be out four cents on each dollar at the end of the year. His problem is to get rid of it for goods or services before he has to buy too many stamps. That depends on the willingness of other people to swap their goods and services. The butcher, the baker, the filling-station operator etc. might want a little gravy. They might suspect that they could not get rid of the certificate in less than a week, two weeks, or even four weeks, and might insist on such a discount as would cover their possible loss. If the certificate could be moved from one hand to another every week so that nobody would have to attach more than a two-cent stamp as a price of his accommodation, then the thing might work. But suppose a tradesman has to hold it for three months, or even one month, he would be out from 8 to 24 per cent because of the stamps he would have to put on each week. Now, that simple factor is likely to gum the works. If it did not, and if the flow could be made continuous week by week, every person would be out at least two per cent, and it is human nature to safeguard the margin of possible loss so that merchants, tradesmen, etc. would probably insist on a discount of not less than four per cent.

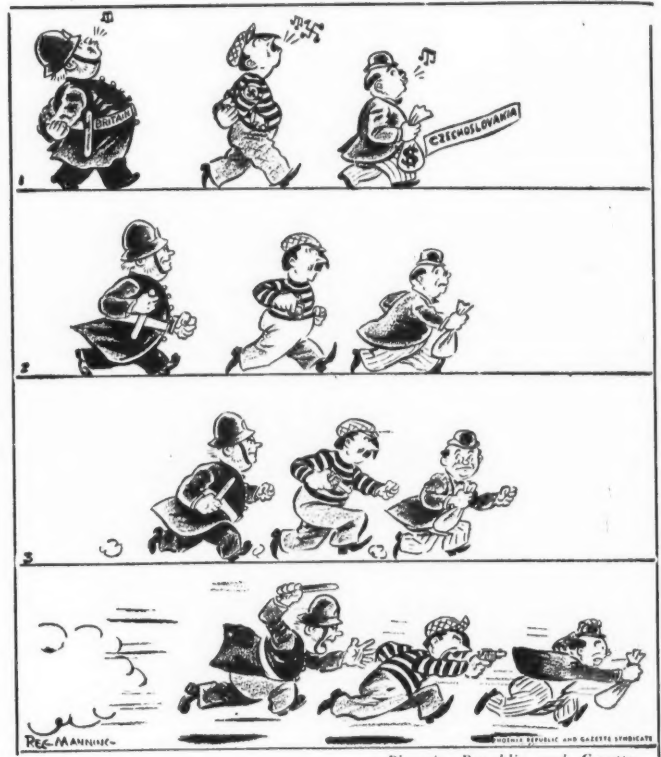
Still, and making allowance for all this, the "\$30 Every Thursday" idea comes pretty near fitting the essentials of New Deal philosophy. It just shows up certain aspects of that philosophy in a more vivid light.

Mc Tracy

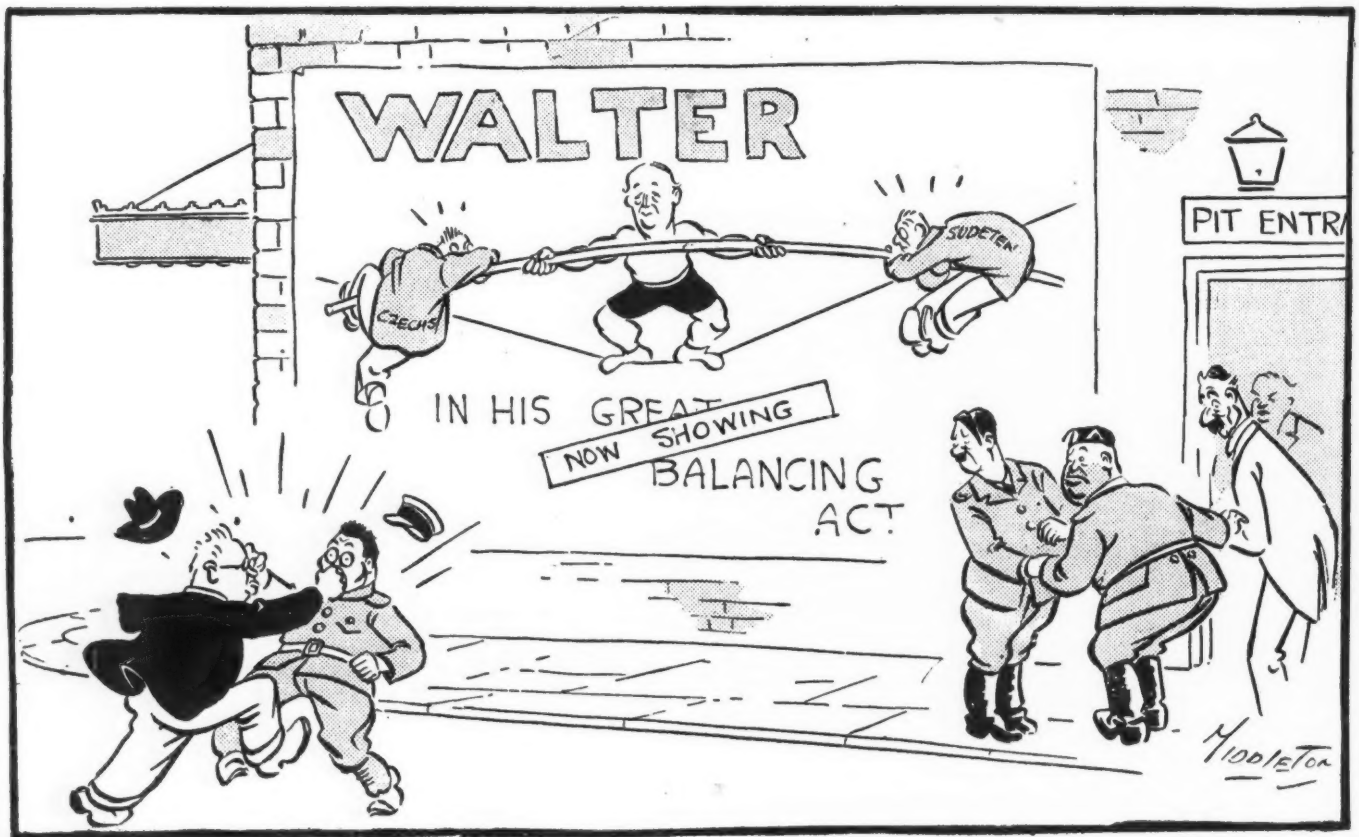
THE MONTH IN CARTOONS



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* Suppose somebody should trip . . .



Unexpected Sideshow

—Birmingham Gazette.

CURRENT HISTORY

OCTOBER, 1938

VOL. XLVIX NO. 2

A Month's History in the Making

IMPERIALISM dominates the Old World situation. It flows from three centers: Berlin, Rome, and Tokyo. It comes as a natural by-product of dictatorship, and its virtually uninterrupted progress can be attributed to the simple fact that it has taken and held the initiative since it began to move. Hesitancy, coupled with an unrealistic perspective, has forced the so-called democratic nations to pursue a negative course. They have not been able to formulate, much less carry out, anything approximating a coherent program. They have increased their armaments, it is true, but largely with the hope that mere preparedness would scare off the racketeers. They have tried to dam the rising tide of aggression in a piecemeal way only to discover that they must continuously abandon the idea of stopping one leak in order to prevent another. The Czechoslovakian muddle provides a vivid illustration of how the game works.

As this is written, Europe stands on the brink of war because of the Czechoslovakian crisis. Sudeten Germans are crying for a plebiscite and creating disturbance throughout their territory. Germany has manned the Siegfried Line and France has manned the Maginot Line; Rumania has granted Russia the privilege of moving troops across her territory into Czechoslovakia. At least five million men stand under arms waiting the word to shoot.

It seems improbable that Hitler will take the dare, but he may. No one can measure the depth of such enthusiasm and self-confidence as have been whipped up in Germany. It would take courage of a lunatic sort, however, for any nation to risk defying such opposition as Germany now faces.

The pathetic fact is that this opposition should have developed long ago; long before Czechoslovakia was so un-

necessarily humiliated; long before the impression was so definitely created that German bluffing would succeed. Had the so-called democratic countries mobilized as they are now mobilizing, this crisis with its threat of wholesale conflict might have been averted. Even



—San Francisco Chronicle
Testing His Welcome

so, Russia must be credited with forcing it to a head, though France has shown a degree of firmness that would have balked the various Nazi moves had it been unequivocally supported by Great Britain. As things have turned out, Lord Runciman's mediation venture accomplished little except to force the Czechoslovakian Government to make one concession after another, while the Sudeten Germans sent gleeful reports to their masters at Berlin. Horthy's visit to Hitler, on the other hand, seems to have brought Hungary into line with German ambitions, with Poland seeking safety in a non-committal attitude. All this should have been foreseen and forestalled, but there was an inexplicable lack of foresight and firm action, particularly on the part of Great Britain.

No more than a casual survey of Old World affairs is needed to realize

how definitely and how consistently the democratic cause has lost ground, or that its loss can be attributed to lack of a fixed program on the one hand and concerted action on the other. Academically, it has taken perfectly sound positions; practically, it has surrendered them, one after another, rather than take the risk that a determined attitude might involve. It abandoned about everything except moral opposition toward the Japanese invasion of Asia, toward Italy's conquest of Ethiopia, and toward the more or less open intervention of Italy and Germany in behalf of Franco. Collapse of the League of Nations can justly be attributed to the failure of strong democratic nations to give it the required support, as advocated by Anthony Eden.

Democratic countries have succeeded in avoiding war up to this point but they have not succeeded in keeping themselves out of the armament race. This paradoxical course can be traced to the predominance of fear. They still hope to bluff or buy their way out, still hope that they can pry Mussolini loose from the Rome-Berlin Axis by liberal advances of cash or by letting him have his own way in Spain, still hope that a bloc of Central European States can be formed to thwart Germany, or that Russia will take up the cudgels for China against Japan.

Meanwhile, more and more of the world is not only falling into the hands of dictatorship but is succumbing to the philosophy of ruthlessness and intolerance for which dictatorship stands.

THE Spanish conflict would have been ended long ago had democratic countries been as firm in expressing their sympathy for the government as have the dictatorships for Franco.

While democratic countries have fiddled with "non-intervention" to no purpose whatever, Italian troops, Italian guns and German war supplies have contributed substantial aid to the Nationalists. The point is that Mussolini and Hitler have persisted in carrying out their program while the democracies have been content to render little more than lip service. The democracies have talked, established patrols and offered compromises, but they have not prevented a single Italian soldier or a single German arms merchant from contributing his bit. If Italy and Germany do not succeed in gaining a victory for Franco, it will be because their money has run out, and it is more than possible that one or another of the democratic countries will prevent that in order to accomplish some other end. It is not inconceivable, for instance, that England might grant Italy liberal advances of cash which could be used to carry on the Spanish war if, by so doing, Italy could be induced to give Hitler less active cooperation.

Meanwhile, the Spanish conflict rages into its third year, with no decisive victory in sight. At present, it is see-sawing along the Ebro front, along the Estramadura front and the Valencia front, with government forces still in control of Madrid and most of Catalonia. Efforts to have foreign troops withdrawn have resulted in a

firm rejection by Franco—his contention being that 12,000 Americans are fighting for the government and a general withdrawal would be unfair to his side.

THE Sino-Japanese struggle promises to be as prolonged as that in Spain and far more destructive because of the greater number of people and the vaster area involved. Here again, those countries which pretend to be against aggression have done little except to strike a moral posture. Their hope that controversy over the Russo-Manchukuoan border might bring the Soviet into the conflict on China's side has for the moment gone glimmering. Both governments appear to have come to the conclusion that the small amount of territory in dispute was not worth a general war. A commission composed of two Russians, one Japanese, and one Manchukuoan will try to arrive at an agreement, with hostilities suspended while they are trying.

Japanese continue to bomb cities while Chinese continue to burn them when they become untenable. This type of warfare cannot help leaving a large portion of China paralyzed for many years to come. Civilian rights, foreign rights, and even the most elemental of human rights are brazenly ignored. The conflict has taken on a character which Genghis Khan could appreciate but which is not in keeping with civi-

lized thought. The invasion of Belgium, at which we professed to be shocked twenty-four years ago, seems colorless and insipid compared to that of China.

Turn where you will and the belief in brute force seems to be definitely gaining sway over the human mind. It expresses itself not only in war but in the internal policy of great nations. Racial and religious persecution has become the fashion in many lands. Mussolini follows Hitler in the anti-Semitic drive. All Jews who have come to Italy since 1919 are automatically exiled; Jewish children are excluded from schools, and most Jewish professionals will be compelled to resign their jobs. They will be allowed to settle in Ethiopia, which seems like adding insult to injury.

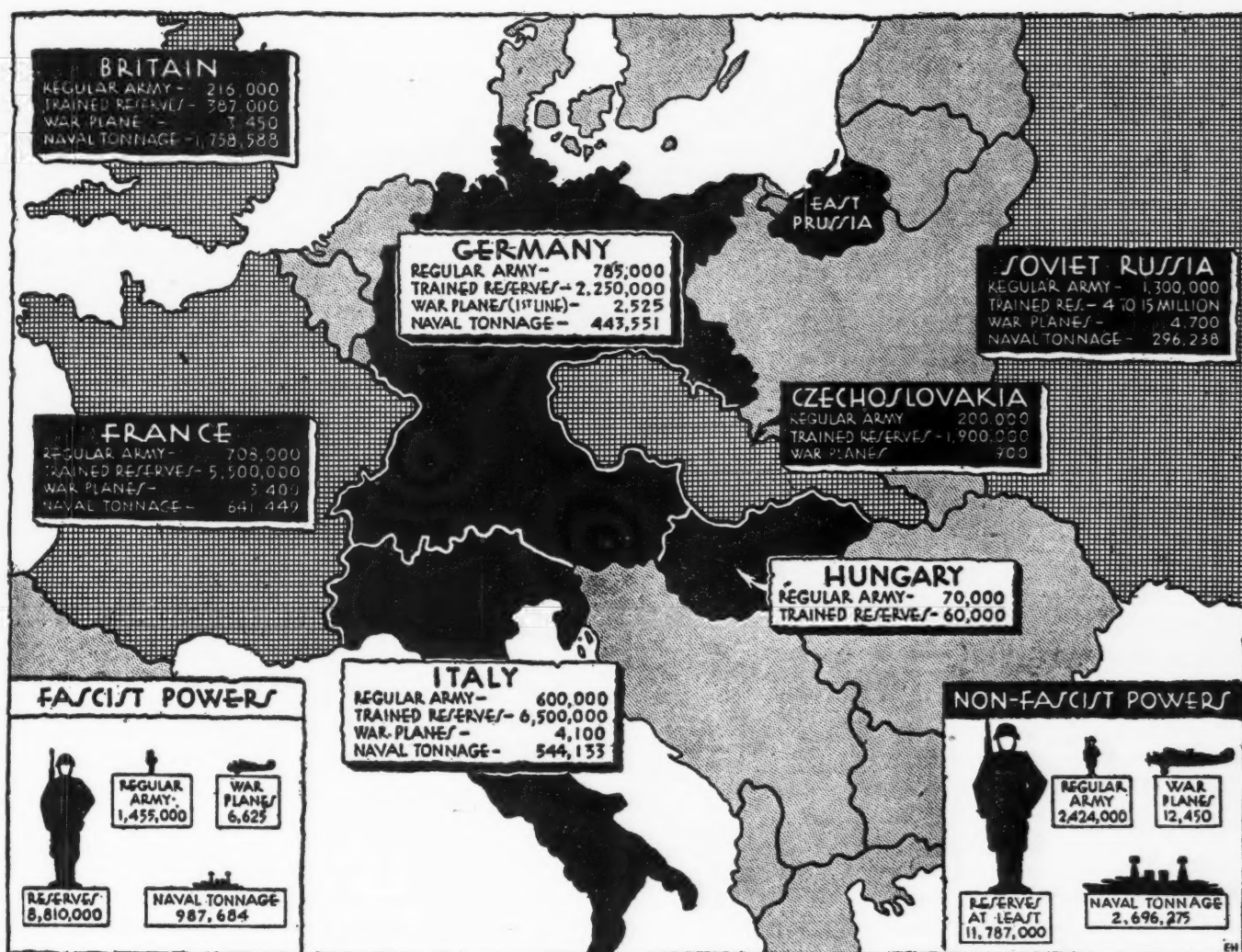
The philosophy of racial and religious discrimination develops as a natural consequence to the concept that sovereign governments can do as they please not only with respect to their own people but with respect to the persons and properties of outsiders, providing such a course facilitates experiments and pleases the dictatorial doctrinaires. We have an example of it on this side of the Atlantic where Mexico upholds the right to confiscate property without payment if, as, and when such action benefits her social and economic policy. Secretary Hull's proposal that an arrangement be made to pay for property of American citizens that has been confiscated, and that the amount of payment be determined by arbitration, has met with a flat rejection.

It is quite possible that Mexico has adopted this course on the assumption that the United States would do nothing except argue, and Mexico is probably right. But there are other factors. There is the factor, for instance, of investment and trade. If Mexico thinks that she can make up for the loss by entering into barter agreements with Germany, she is quite likely to be disillusioned in short order. If her laboring men think that they can act as independently while working for the government as they did while working for private interests, they also are likely to be disillusioned. And all this, too, without Uncle Sam's lifting a hand. For the sake of carrying out a purely experimental program, President Cardenas has turned his back on Mexico's best and most capable friend. For the right



—Glasgow Record.

They never think of cake. Well, hardly ever . . .



—New York Times

Comparison of the Continent's military strength reveals the superiority of the non-Fascist forces.

to confiscate a pitifully small amount of land without payment, he has repudiated principles to which the United States is devoted and which are essential to the maintenance of cordial relationship between or among countries.

PRESIDENT Cardenas is apparently sold not only on the one-party system but on most of the philosophy that goes with it. The regime he heads has been described as a meeting-ground of Communism and Nazism. Germans, with an eye to the main chance, have flattered him by the assertion that it represents a type of social and economic program with which Nazism has no quarrel. The net result is a deal by which Germany will trade newspaper and other articles for Mexican oil. In essentials, it is a similar deal to that made with Brazil; Brazil took quite a beating and Mexico is likely to have a similar experience. These barter agreements hinge largely on the manipulation of money values, and that is a field in which Germans have

become experts; also, it is a field in which Mexico must start with a grave handicap.

During the last few years, Germans and Italians have succeeded, by virtue of clever propaganda and rose-tinted promises, in negotiating several barter agreements. Through these agreements, they have succeeded in worming their way into politics and financial affairs. More or less disturbance has resulted from this kind of penetration. There was a Nazi uprising in Brazil some weeks ago, and another in Chile in the early days of September. Fortunately for the countries concerned, the Nazis or Fascists acted prematurely and got nothing out of it except discredit. They are still at work, however, and with that same fixity of purpose which characterizes their activities in the Old World. Their efforts to capture Latin American trade and create a favorable opinion of their regimes are something of definite interest to the United States. We have no choice but to counteract propaganda with propaganda, salesman-

ship with salesmanship, and favor with favor. We are in an advantageous position to do this if we only give it the proper attention and treat it with a proper sense of value. No European country can offer Latin America anything comparable with what the United States can offer. None is in a mood to treat Latin America with such fairness or promote trade in such a way as can satisfy all interests concerned. The United States has no inclination to mix business with politics, which is an aspect of the situation that should be constantly emphasized.

SPEAKING of politics, the majority of Americans find it necessary to forego their interest in foreign affairs because of the pending campaign. It is a peculiar campaign because of President Roosevelt's efforts to make the Democratic Party safe for the New Deal. From the beginning, he has regarded the New Deal not only as his brain-child, but as more important than the



Light Reading

Democratic Party. He has let it be known that if preservation of the New Deal requires the support of liberal Republicans, he will not hesitate. Throughout the campaign, he has taken the position that preservation of the New Deal called for 100 per cent support. To insure this, he has argued for the nomination or renomination of those candidates on whom he felt he could rely and for the defeat of those whom he regarded as opposed or even lukewarm toward major New Deal measures. He has written letters, made speeches, and expressed himself to newspaper men on what he considered the more important cases. Thus far, the score runs against him. During the last days of August and the early days of September, President Roosevelt threw his influence behind Johnson in South Carolina and McAdoo in California, both of whom were defeated, and against Tydings in Maryland and George in Georgia, both of whose New Deal-supported opponents were also defeated in the primaries.

The President has suffered enough reverses to suggest that a turn has set in. He controls a sufficient percentage of Representatives and Senators, however, to insure a safe margin in Congress, even though the Republicans make substantial gains. Whether this turn in the tide means a steady and increasing opposition to the New Deal, or whether it comes about as the usual mid-term spasm, it cannot be attributed entirely to the work of economic royalists or partisan strategy. Much of it is due to dissatisfaction in quar-

ters where it was least expected. Labor, for instance, is divided over the Wagner Act and the National Labor Relations Board. Many A. F. of L. leaders believe that the former should be amended and that the latter should be curbed.

To some extent, this division on the part of labor can be traced to the split between the A. F. of L. and the C. I. O. But that does not account for all of it. There are leaders on both sides who shudder over the idea that government may assume as great a control of labor as it has of business and that both the Wagner Act and the N. L. R. B. represent a trend in this direction.

NEITHER the Wagner Act nor the National Labor Relations Board have brought about peace in industry. On the other hand, they have tended to develop quarrels and controversies which add to the confusion. In order to settle these quarrels and controversies, they have tended to establish arbitrary controls which the average American, whether as employer or employee, resents.

Not only is there a nation-wide split between the A. F. of L. and the C. I. O., but splits are developing within the latter as is illustrated by the opposition of Homer Martin to the intervention of John L. Lewis in affairs of the automobile union. It goes without saying that such splits weaken the labor front, but they go rather deeper than labor's attitude toward industry. To a marked degree, they are based on political concepts. As a

general proposition, labor is no more favorable toward government control than is business and resents the implication of bureaucratic direction.

Like most other people, Americans are receptive toward grants, gratuities and guaranteed advantages, but whether laborers, farmers, tradesmen or professionals, they balk at the idea of getting these through a surrender of too much independence. So long as bureaucracy merely "dishes it out," they are for bureaucracy but if, as, and when bureaucracy demands a loss of liberty in recompense, their enthusiasm cools. Some of them are just beginning to understand that bureaucracy is not a one-way street.

Added to all this, there is the simple question of how much we have gained by way of recovery because of all the bureaus, increased taxes, mounting debts and unbalanced budget, or whether we could have made as great gains without them. The recent survey put out by the League of Nations does not paint an altogether pretty picture of our progress toward recovery, in comparison with that of other nations. We are still the richest, but we have not increased production or accumulated wealth to the extent that have Japan, Germany, France, England and several more. Such facts are playing a part in the formation of public sentiment throughout this country; they remain to be overcome by something more substantial than agreeable platitudes or intriguing predictions.



Irresistible

—South Wales Echo, Cardiff

What Can England Do About Hitler?

By
**WINSTON
CHURCHILL**



Prime Minister Chamberlain's envoy, Viscount Halifax, confers with Herman Goering, Hitler's right hand man.

DO NOT FEEL that there is any immediate danger of a major land war breaking out over Czechoslovakia. I know it is very rash to make such a statement, but when there is so much natural but misdirected alarm, one must run some risks in stating one's honest opinion. The first reason is that, in the opinion of many good judges, Germany is not ready this year for such an ordeal as a major land war. The second reason carries more conviction to me, because obviously the first is based upon facts which one cannot measure and secrets which one cannot probe. It is that I cannot see that it would be to the interest of the rulers of Germany to provoke such a war.

Are they not getting all they want without it? Are they not achieving a long succession of most important objectives without firing a single shot? Is there any limit to the economic and political pressure which, without actually using military force, Germany will be able to bring to bear on this unhappy state? She can be convulsed politically, she can be strangled economically, she is practically surrounded by superior forces, and unless something is done to mitigate the pressure of circumstances, she will be forced to make continuous surrenders, far beyond the bounds of what any impartial tribunal would consider just or right, until finally her sovereignty, her independence, her integrity, have been destroyed. Why, then, should the rulers

of Germany strike a military blow? Why should they incur the risk of a major war?

Moreover, I think it is to be considered that there are other, even more tempting lines of advance open to Germany's ambitions. A serious disturbance among the Hungarian population in the Rumanian province of Transylvania might offer a pretext for the entry of German troops, at a Hungarian invitation or without it. Then all the possibilities of the oil and food of Rumania would be open. Here, again, force may be avoided and virtual annexation may be veiled in the guise of a compulsory alliance. In the meantime the control of Vienna enables the economic fortunes of all the states of the Danubian Basin to be manipulated, exploited and controlled so as to favor German designs, and for the benefit of German finance, trade and arms. Why, then, should Germany go to the other place where she would encounter the veto of France, and of Russia, which has also made definite assurances? I do not think the Government would have run very much risk if they had added the full force of Great Britain to the French declaration about Czechoslovakia. They would not greatly have increased their commitments and they would have made assurance double sure.

But the story of this year is not ended at Czechoslovakia. It is not ended this month. The might behind

the German Dictator increases daily. His appetite may grow with eating. The forces of law and freedom have for a long time known nothing but rebuffs, failures and humiliations. Their influence would be immensely increased by any signs of concerted action and initiative and combination. The fact that Britain and France combined together at such a moment in such a cause would give them the strength and authority that they need in order to convince wavering states that they might find a good company of determined people to whom they might join themselves upon the basis of the Covenant and in accordance with its principles. On the morrow of such a proof of unity as could be given between Great Britain and France we might be able to make such an arrangement, or begin to make it, for the effective fulfillment of the Covenant. We might have a group of Powers, as it were mandatories of the League, who would be the guardians of civilization, and once this was set up strong and real it would liberate us, at least over a long period, from the torments of uncertainty and anxiety which we now have to endure. Joint action on this occasion would make easier and safer the problem of dealing with the next occasion. If successful, it would certainly pave the way to more effective joint action in the enforcement of the non-intervention policy in Spain. Nations that have joined together to meet one particular

emergency may well find, when they look around, that they have assembled forces sufficient to deal with other emergencies not yet before us, and thus we may gather an ever-growing company, ranged under standards of law and justice, submitting themselves to principles that they are ready to enforce: and thus, by military and moral means combined, we may once more regain the ascendant and the initiative for the free peoples of the world and throughout the Empire.

DO NOT let anyone suppose that this is a mere question of hardening one's heart and keeping a stiff upper lip, and standing by to see Czechoslovakia poleaxed or tortured as Austria has been. Something more than that particular kind of fortitude will be needed from us. It is not only Czechoslovakia that will suffer. Look at the states of the Danube Basin. First and foremost there is Yugoslavia. That is a most powerful and virile state, three-quarters of whose martial people are undoubtedly in the fullest sympathy with the democracy of France and Great Britain, and are animated by an ardent hatred of Nazi or Fascist rule. They have a rooted desire to maintain themselves in their independence. Is nothing being done to ascertain what Yugoslavia would do, assuming that Great Britain and France were prepared to interest themselves in the problems of the Danube Basin? Yugoslavia might well be gained, and I am told that the effect of that on Bulgaria would probably be to draw her into the same orbit. Then there is Rumania, so directly menaced by the potential German movement to the East. These three countries if left alone, and convinced that there is no will power operating against the dictators, will fall one by one into the Nazi grip and system. What then will be the position of Greece and Turkey?

It is not possible that decided action by France and Great Britain would rally the whole of these five states as well as Czechoslovakia, all of whom have powerful armies, who together aggregate 75,000,000 of people, who have several millions of fighting men already trained, who have immense resources, who all wish to dwell in peace within their habitations, who individually may be broken by defeat and despoiled, but

who, united, constitute an immense resisting power? Can nothing be done to keep them secure and free and to unite them in their own interests, in French and Britain interests and, above all, in the interests of peace? Are we really going to let the whole of these tremendous possibilities fall away without a concerted effort of any kind? If we do, let us not suppose for a moment that we shall ourselves have escaped our perils. On the contrary, we shall have multiplied our perils, for a very obvious reason. At present Germany might contemplate a short war, but, once she has laid hands on these countries and extended her power to the Black Sea, the Nazi regime will be able to feed itself indefinitely, however long war may last, and thus we should have removed another of the deterrents that stand between us and war. The Nazification of the whole of the Danube States is a danger of the first capital magnitude to the British Empire. Is all to go for nothing? Is it all to be whistled down the wind? If so, we shall repent in blood and tears our improvidence and our lack of foresight and energy.

IT HAS been said that if we do not stand up to the dictators now, we shall only prepare the day when we shall have to stand up to them under far more adverse conditions. Two years ago it was safe, three years ago it was easy, and four years ago a mere dispatch might have rectified the position. But where shall we be a year hence? Where shall we be in 1940? In these next few months all these substantial countries will be deciding whether they will rally, as they would desire to do, to the standards of civilization which still fly over Geneva, or whether they will be forced to throw in their lot and adopt the system and the doctrines of the Nazi powers. Neville Chamberlain has spoken about the negotiations with Italy. I shall not comment upon them, because I prefer to await the results when they are presented to us. I know no more effective means of aiding those negotiations than the creation of a Danubian bloc, and nothing that would make it more likely that any engagement entered into would bear fruit and be effective in the hour of serious need. I trust that the Government will do their utmost. If it is too late, the

evil is upon us, but do not let any chance be thrown away of endeavoring to save this great area from being overrun, exploited and despoiled.

I now come to the second aspect of the deterrents which we are assembling against aggression—namely, national defense. I welcome very much the announcement that the prime minister has made in this respect, and particularly his decision to consult the trade unions. I know that he is averse from hasty decisions. No one can say that this is a hasty decision in the third year of rearmament. I was very glad also to hear the reassurance that drastic action will be taken to augment the speed of our air program, of our air raid precautions system and of our anti-aircraft artillery. It appears that there were other resources not being used which now will be used in a greater effort. I regret very much that those additional resources have not been applied during the last two years, when the air program was seen to be trailing so far behind. Not only did we start two years too late, but the second two years have been traversed at only half-speed.

Let me give a warning drawn from our recent experiences. Very likely this immediate crisis will pass, will dissipate itself and calm down. After a boa constrictor has devoured its prey it often has a considerable digestive spell. It was so after the revelation of the secret German air force. There was a pause. It was so after German conscription was proclaimed in breach of the Versailles Treaty. It was so after the Rhineland was forcibly occupied. Now, after Austria has been struck down, we are all disturbed and alarmed, but in a little while there may be another pause. There may not—we cannot tell. But if there is a pause, then people will be saying, "See how the alarmists have been confuted; Europe has calmed down, it has all blown over, and the war scare has passed away." Neville Chamberlain will perhaps repeat what he said a few weeks ago, that the tension in Europe is greatly relaxed. The *Times* will write a leading article to say how silly those people look who on the morrow of the Austrian incorporation raised a clamor for exceptional action in foreign policy and home defense, and how wise the Government was not

to let itself be carried away by this passing incident.

All this time the vast degeneration of the forces of parliamentary democracy will be proceeding throughout Europe. Every six weeks another corps will be added to the German army. All this time important countries and great rail and river communications will pass under the control of the German General Staff. All this time populations will be continually reduced to the rigors of Nazi domination and assimilated to that system. All this time the forces of conquest and intimidation will be consolidated, towering up soon in real and not make-believe strength and superiority. Then presently will come another stroke. Upon whom? Our questions with Germany are unsettled and unanswered. We cannot tell. What I dread is that the impulse now given to active effort may pass away when the dangers are not diminishing, but accumulating and gathering as country after country is involved in the Nazi system, and as their vast preparations reach their final perfection.

The other day Lord Halifax said that Europe was confused. The part of Europe that is confused is that part ruled by Parliamentary Governments. I know of no confusion on the side of the great Dictators. They pursue their path towards somber and impressive objectives with ruthless consistency and purpose. They know what they want, and no one can deny that up to the present at every step they are getting what they want. When I look back upon the last five or six years I discern many lost chances when we could have made a stand, a united stand, against the dangers, and when by act of generosity and magnanimity following upon the marshalling of material strength we could have perhaps prevented the evils which are now upon us.

The grave and perhaps irreparable injury to world security took place in the years 1932 and 1935 in the tenure of the Foreign Office of the present Chancellor of the Exchequer (Sir John Simon). In those days I ventured repeatedly to submit to the House the maxim that the grievances of the vanquished should be redressed before the disarmament of the victors was begun. But the reverse was done. Then

was the time to make concessions to the German people and to the German rulers. Then was the time when they would have had their real value. But no such attempt was made. All that was done was to neglect our own defenses and endeavor to encourage the French to follow a course equally imprudent. The next opportunity when these sibylline books were presented to us was when the reoccupation of the Rhineland took place at the beginning of 1936. Now we know that a firm stand by France and Britain with the other Powers associated with them at



Winston Churchill, author of the article, who is England's foremost critic of its appeasement policy towards Hitler.

that time, and with the authority of the League of Nations, would have been followed by the immediate evacuation of the Rhineland without the shedding of a drop of blood, and the effects of that might have been blessed beyond all compare, because it would have enabled the more prudent elements in the German Army to regain their proper position, and would not have given to the political head of Germany that enormous ascendancy which has enabled him to move forward. On the morrow of such a success we could have made a large and generous settlement.

Now we are in a moment when a third move is made, but when that opportunity does not present itself in the same favorable manner. Austria has been laid in thrall, and we do not know whether Czechoslovakia will not

suffer a similar attack. This small country has declared that it will resist, and if it resists that may well light up the flames of war, the limits of which no man can predict.

For five years I have talked to the members of the House of Commons on these matters—not with very great success. I have watched this famous island descending incontinently, recklessly, the stairway which leads to a dark gulf. It is a fine broad stairway at the beginning, but after a bit the carpet ends. A little farther on there are only flagstones, and a little farther on still these break beneath your feet. Look back over the last five years. It is true that great mistakes were made in the years immediately after the War. But at Lorcarno we laid the foundation from which a great forward movement could have been made. Look back upon the last five years—since, that is to say: Germany began to rearm in earnest and openly to seek revenge. If we study the history of Rome and Carthage, we can understand what happened and why. It is not difficult to form an intelligent view about the three Punic Wars; but if mortal catastrophe should overtake the British Nation and the British Empire, historians a thousand years hence will still be baffled by the mystery of our affairs. They will never understand how it was that a victorious nation, with everything in hand, suffered themselves to be brought low, and to cast away all that they had gained by measureless sacrifice and absolute victory — gone with the wind!

Now the victors are the vanquished, and those who threw down their arms in the field and sued for an armistice are striding on to world mastery. That is the position—that is the terrible transformation that has taken place bit by bit. Now is the time at last to rouse the nation. Perhaps it is the last time it can be roused with a chance of preventing war, or with a chance of coming through to victory should our efforts to prevent war fail. We should lay aside every hindrance and endeavor by uniting the whole force and spirit of our people to raise again a great British nation standing up before all the world; for such a nation, rising in its ancient vigor, can even at this hour save civilization.

Roosevelt Tries the Primaries

Recalcitrants have been cast off in an attempt to keep the Democratic majority New-Deal minded

By RAYMOND CLAPPER

ABOUT ROOSEVELT one writes of the past and thinks of the future. You cannot say with assurance what he will do, but only what he has done. You cannot think of him in the past tense, but always in questions: What next? Where to? Will he run again? We can only guess. You guess he will run again. I guess he will not. You don't know. Neither do I. We write our history of these times in twenty-four hour installments.

This much is now history—that no President ever has gone as far as Mr. Roosevelt in striving to stamp his policies indelibly upon his party. Not even Mr. Roosevelt himself had gone so far in the three congressional campaigns that had taken place since he stood before the Democratic National Convention in Chicago in 1932 and proclaimed the New Deal. True, in that very speech he gave notice that Democrats who kept their eyes glued on the past would soon find themselves out of step with their party. But he did nothing.

Even in 1936 he did nothing. Senator Carter Glass was up for renomination that year. Glass had broken with Mr. Roosevelt on numerous major issues. He had refused to become Roosevelt's Secretary of the Treasury because he could not subscribe to monetary policies which he had been advised were to be followed. He had defied NRA and refused to fly the Blue Eagle. But when Senator Glass was up for renomination, Mr. Roosevelt stopped the presidential train in Lynchburg, Va., the home of Senator Glass, and they appeared with arms around each other. Mr. Roosevelt called him a lovable old unreconstructed rebel and made it clear that he would welcome Senator Glass back to Washington for another term.

As late as June, 1938, Mr. Roosevelt was still looking innocent and professing to be uninterested in Democratic primaries. However, this time these disclaimers were accepted among

Washington political writers in the Pickwickian sense because evidence was continually leaking out to reveal the President's hand in various state situations. But Roosevelt persisted in his disclaimers even after they became the signal for hearty laughter at the Roosevelt press conferences, laughter in which the President himself sometimes joined.

Roosevelt in 1936 had endorsed Senator Norris in Nebraska with the explanation that he was making this "one magnificently justified exception" to "my rule of non-participation in state elections." In 1934 he had, no doubt to his subsequent regret, given Senator Edward Burke of Nebraska a push up the ladder. In a speech he quoted anonymously a definition of the New Deal and his secretariat passed out the word that the author of the definition which had won the President's public approval was Burke. The purpose was to give the presidential blessing to Burke without violating his rule of non-interference. During the New York City campaign of 1937, Mr. Roosevelt became infuriated at reporters who wrote that he was interfering in the mayoralty campaign. Their accounts were repudiated officially.

Jealously Mr. Roosevelt guarded his record of non-interference. Whatever backstage maneuvering he attempted, he would not admit it publicly. He even kept quiet through the Iowa primary last June, although he defended the action of Harry Hopkins, WPA Administrator, in endorsing the New Deal candidate for the Senate after the primary was over.

NOT until his fireside chat of June 24 did Mr. Roosevelt announce his participation in Democratic primaries. He said he felt that he had every right to speak in those few instances where there might be a clear issue between candidates for a Democratic nomination involving the "definitely liberal declaration of principles set forth in

the 1936 Democratic platform," or involving a "clear misuse of my name." From then on he was in the fight openly and with hard blows.

The aggrieved candidates and an army of editorial writers reveling in double-leaded essays have fought back. Roosevelt the Dictator! Exterminating the States! Carpetbagger! Marching through Georgia! Upon what Meat Doth this, Our Caesar, Feed? Drive for a Third Term! You would think President Roosevelt was doing something new. But the novelty was not in the idea but in the vigor with which he has acted. His list is longer. He is taking the field himself instead of writing letters.

Mr. Roosevelt is not acting entirely without precedent. Cleveland excoriated members of his party who refused to go along with him on the tariff. Theodore Roosevelt fought Uncle Joe Cannon. His rhetorical duel with Senator Foraker, a Republican reactionary, at a Gridiron dinner is famous. Woodrow Wilson actively sought the defeat of Democratic candidates in five southern states in 1918 because they had opposed his policies. He sent Senator Vardaman back to private life in Mississippi and brought Pat Harrison from the House to the Senate. Wilson wrote a public letter to the Democratic National Committeeman for Georgia opposing the renomination of Senator Hardwick and endorsing William J. Harris, saying: "Senator Hardwick has been a constant and active opponent of my administration. Mr. William Harris has consistently and actively supported it. In my opinion, the obvious thing for all those who are jealous of the reputation of the party and the success of the government in the present crisis is to combine in the support of Mr. Harris." He intervened in South Carolina and beat Cole Blease for the senatorial nomination. He drove a Texas Congressman to withdraw and unsuccessfully opposed the renomination of an Alabama Rep-

representative. Even after leaving the presidency, Wilson unsuccessfully fought the renomination of Senator James A. Reed of Missouri.

Neither Harding nor Coolidge became involved in primary contests. Hoover dabbled slightly. He went to the support of Representative Reece of Tennessee in 1930 and was denounced by the aggrieved candidate as guilty of "an attempt at political dictatorship in a free country."

INTERFERENCE on a larger scale and with more vigor than Wilson exercised, has been inevitable. It awaited only the appearance of a strong man in a highly controversial setting.

First, there has been the spread of the direct primary. That provided the opportunity. When nominations were made by convention, there was little occasion for a President to carry his fight to the people even had he been so disposed. Nominations were decided by state politicians in convention, or more often by back-room agreement among the leaders. Now most states have a direct primary which gives opportunity for an appeal to the electorate.

Secondly, radio broadcasting has made the opportunity even more enticing to appeal directly to large audiences. This was bound to be particularly tempting to Roosevelt.

Thirdly, the rapid expansion of federal activity, the heavy volume of important legislation every year in Washington, and complexity of these measures make it inevitable that Presidents will be more anxious to have in Congress men of sympathetic leanings and who hold broadly the same general viewpoint upon economic and social questions. In more leisurely days, Congress only occasionally enacted measures of nation-wide consequence. These measures not only were few but were usually so slow in shaping that they served as party issues in campaigns before-hand, as the tariff question did for so many years. But with large social and economic questions arising constantly in the daily legislative business, it is natural that an aggressive President will be more concerned than his earlier predecessors were about the general liberal or conservative leanings of men coming to the House and Senate.

Also, Roosevelt had a peculiar inducement to get into primaries backed by his predecessors. Since 1932 the Democratic party has become not

only the majority party in many Northern states but so dominant that in state after state the Democratic nomination has become equivalent to election, as it long had been in the South. Therefore the real election now is the Democratic primary, not the November contest.

Conservative forces, accordingly, have concentrated on controlling the Democratic primaries. In Idaho, Republicans in large numbers invaded the Democratic primary to support the anti-New Deal candidate for the Senate. In Kentucky they supported

city machines in the North, notably Tammany. Wilson was elected because of the Republican split in 1912 and was barely re-elected when the Middle West stayed with him on the idea that he had kept the United States out of war. But in 1920 the West went back to the Republican party, and the Democratic party shrank again into a weak alliance between the South and the city machines of the North.

In 1924 this alliance was almost broken over the refusal of the South to accept Alfred E. Smith as its candidate. The party, with no prospect



A few minutes after he declared that "the senior Senator from this state (Georgia) cannot be classified as a liberal," President Roosevelt enthusiastically greeted his "old friend," Senator Walter F. George.

Governor Chandler in the attempt to oust Senator Barkley, the New Deal Senate leader. In Maryland they threw their support more heavily than ever behind Senator Tydings, knowing that there was no hope of electing a Republican Senator in Maryland should Tydings be beaten for Democratic renomination. That was true in the the anti-New Deal candidate for the Iowa senatorial primary although Mr. Roosevelt let that one go by without breaking his official silence. In 1932 and 1936 the issue was between the Democratic and Republican parties, but now the real fight is taking place inside the Democratic lines.

Roosevelt has been trying since 1932 to make the Democratic party the vehicle of liberal or progressive political ideas. During the lean years after the Civil War, the party subsisted poorly as a loose alliance or marriage-of-convenience between the Democratic South and a few Democratic

of winning the election, then named as its candidate John W. Davis, a Wall Street lawyer. In 1928 the party was shattered over Smith. It had lost the West, apparently forever.

But circumstances unexpectedly brought to Roosevelt the support of the West in 1932 and he labored to knit it into the party, thereby assuring Democratic domination of the country. He succeeded beyond his own expectations.

He did so only by driving through a program which, together with his own remarkable political personality, won the support of voters in face of persistent and bitter opposition not alone from Republicans but from economic groups and interests which felt themselves threatened by the Roosevelt program. That battle has long since crossed party lines and now rages within the Democratic party itself. It was not enough to establish the Democratic party in a majority

position, for it was inside the Democratic party that the Supreme Court bill was beaten. I do not believe that this alone alarmed Roosevelt. In subsequent decisions and in legislation most of what he sought through the court enlargement plan was accomplished. But other events followed. It was inside the Democratic party that his reorganization bill was beaten. That was a second test, and he lost.

The third test, wages and hours legislation, he almost lost. He was fought to a stalemate for months. His own Democratic rules committee in the House held the bill in pigeon-hole. Finally the victory of Lister Hill in the Alabama senatorial primary, on the wages and hours issue, followed by that of Senator Pepper in Florida where the same issue was a prominent one, jarred the legislation loose and Roosevelt got it through. The power of the primaries was dramatically demonstrated.

MR. ROOSEVELT has more to gain from his activity in the primaries than merely the replacement of hostile Democrats by sympathetic Democrats. He has not attempted to defeat such lukewarm Democrats as Senator Adams in Colorado and Senator McCarran in Nevada. He let the Indiana Democratic convention renominate Senator Van Nuys without lifting a finger in opposition. Senator Bennett Clark of Missouri, a stalwart "No-man," went through his primary without a vestige of Administration opposition. To have attempted a purge of every dissident Democrat would have been to invite disaster. Many of them are impregnable.

Instead, Roosevelt has given us a selective purge. He has sought to make a few examples, hoping thereby to cow other Senators and Representatives into more submissive behavior and to keep his fight and his program a live crusading, dynamic thing in the public mind. It is a gesture both of discipline and of stimulation. It is a way of dramatizing his struggle to imprint the New Deal indelibly upon his party majority. He will have to contend with men who won't go along with him; but will make life for them as unpleasant as possible, and drive them into retirement where he can.

It has not been a particularly workmanlike job. As with so many undertakings of the Roosevelt Administra-

tion, the objectives have been dramatically projected but the execution has been sloppy.

That Mr. Roosevelt did not like the behavior of Senator George of Georgia was known. Possible rivals visited the White House and went over the situation. But there was no indication of action. The time limit for filing in Georgia drew near. Still nothing happened. Meantime heavy pressure was exerted by friends of George. Numerous supporters of Roosevelt in Georgia, including some of his most loyal newspaper champions, endorsed George. Then without giving warning to anyone, fifteen minutes before the deadline, Lawrence S. Camp filed as a candidate for the Senate nomination on behalf of the New Deal. Support which he might otherwise have counted upon already had been preempted by Senator George when it appeared that the contest would be a two-man affair with only George and former Governor Talmadge running. The federal office holders already had gone to George. Camp, a U. S. District Attorney, had no money, no organization, not a single daily newspaper to support him. In addition, he had little magnetism or campaigning ability.

When Roosevelt made his Barnesville speech attacking Senator George, Camp's political agents failed to arrange for adequate radio broadcasting throughout Georgia. It takes more money than he could raise to use the radio to full advantage. To make matters worse, the Administration sent in to help Camp a young man who became an easy target for Senator George, young Clark Howell Foreman. Member of an old and highly respected Georgia family, Foreman was known chiefly for his activity on an inter-racial committee. George kept referring to him as "Dr. C. H. Foreman" and made this harmless young fellow appear to back-road Georgia Democrats as a champion of racial equality sent down by Roosevelt to put the good white folks in their places. Perhaps the worst crime of all was for the Administration to pick as its candidate a man who had to read his campaign speeches! In short, the whole burden fell squarely upon Roosevelt and his policies.

MUCH the same report could be made on Maryland. There again the decision to fight Senator Tydings was belated. Representative David J. Lewis

who became the New Deal senatorial candidate, already had announced his candidacy for reelection to the House. Then the Administration at Washington persuaded him to run for the Senate against Tydings. County organizations already had endorsed Lewis for the House and Tydings for the Senate. When the program was changed, many organization workers who were personally devoted to him had been pledged to Tydings. He had delayed too long in getting into the fight. Lewis had no money and no organization, but he did have a record and it was as pro-New Deal as that of Tydings was anti-New Deal. The battle was fought largely upon the voting record of the two men.

There was shameful neglect of New Deal interests in Idaho. Representative D. Worth Clark, an able and appealing young man, a conservative Democrat who had crossed the New Deal on numerous votes, slipped back to his state even before Congress adjourned and began an intensive handshaking campaign. He made few speeches, was careful not to attract the fire of the New Dealers. Senator Pope, Administration candidate and 100 per cent New Dealer, was left with no help from Washington except a letter from Secretary of State Hull congratulating him upon his helpful support of the reciprocal tariff, a dubious compliment in the eyes of many Idaho farmers and cattlemen. Mr. Roosevelt neglected to throw his protecting arm around Senator Pope, and on primary day thousands of Republicans used the Democratic side of the peculiar Idaho joint ballot and Representative Clark was nominated. Whether a well-managed campaign could have saved Pope is a question.

During the last few months the voting records of the congressional candidates who have figured in the purge activities have been analyzed so often that it is scarcely worth while to warm them over again. In cold black and white they do not show much. Only in the case of Tydings is there a clear-cut anti-New Deal record on paper.

If you add up the final roll-call votes on major New Deal measures which were cast by Senator George, Senator Cotton Ed Smith of South Carolina, Senator Guy Gillette of Iowa, Representative John J. O'Connor of New York, and any others regarded as on the New Deal blacklist, you will find that in a large percentage of cases they voted with the Administration.



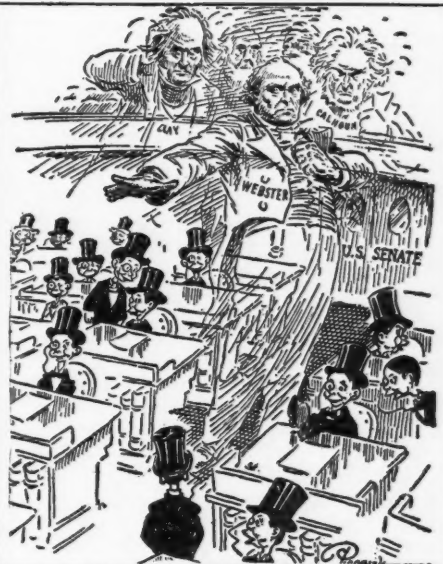
—Louisville Courier-Journal.

"Not to be trusted on the President's coat tail."



—Phoenix Republic and Gazette.

God bless you Franklin, let's be friends—



—Chicago Tribune.

"Once the greatest deliberative body in the world."

George, for instance, has a better New Deal voting record than Senator Bulkley of Ohio, who received the presidential benediction during the Roosevelt tour in July.

You cannot on paper draw a clear-cut formula to fit the purge list. Mr. Roosevelt himself recognized this when he said that he was not looking so much at the individual votes cast in Congress as he was at the man's point of view. He wanted to know whether a man believed in his heart in the objectives of the Administration. Votes in Congress frequently are deceptive. Often a Senator or Representative will oppose a measure through committee and on the floor. He will support nullifying amendments. He may vote to pigeonhole the bill by recommitting it. Then if it survives all such attacks and is ready to be passed, the obstructionist will keep his record straight by voting for the bill on final roll-call. The so-called "death sentence" in the utility holding company bill, a sharp test of economic attitudes, passed with only one vote to spare. That amendment test decided, the final measure passed by a large majority. In other words, numerous Senators voted unsuccessfully to kill the vital "death sentence" provision and then supported the bill. Yet it could not be said that such members supported the Administration, for they had opposed it on the vital point.

So in the course of legislative activity and general viewpoint of a senator or representative becomes clear. Any well-informed person in Washington can give you a fair line on a senator or representative, and these judg-

ments generally agree. For instance, although Senator George's voting record on paper shows up quite consistently New Deal, there is not a member of the Washington press corps, nor a politician in either party, who has not always classified George as a conservative Democrat. And Representative O'Connor, though voting formally for most of the Administration legislation, is regarded and classified by politicians, lobbyists and newspaper correspondents in Washington as a conservative. Thus it is difficult for Mr. Roosevelt to make his case clear on paper. Nevertheless, few people, whether they agree with his policy or not, would raise much argument as to his classifications in connection with the purge.

THE significance of the November elections this year is not in their reflection in Congress but in their bearing upon the future course of the Democratic party. In fact, the elections will probably prove to be less significant than the primaries. There is little expectation of a striking change in the complexion of Congress. Republicans hope to gain perhaps fifty seats in the House and two or three in the Senate.

The question is not whether the Republicans can gain enough strength to become once more a factor in Congress. Practically no one expects that to occur. The question is whether the President's command of his party will be shaken through the primaries, and whether his command over the 1940 Democratic national convention will be seriously challenged. No one

primary result will determine it. After they have all been added up the public may reach some judgment. In individual states Mr. Roosevelt's control of the convention delegation two years hence may be lost. It may have been lost already in Idaho. The victory of Senator Tydings in Maryland indicates that Roosevelt can expect little support from that state in the 1940 convention. On the other hand, he has insured his control of Kentucky by the renomination of Senate Leader Barkley. He has insured it in Oklahoma by the victory of Senator Elmer Thomas, whom he supported. These Senate primary contests have important bearing on control in 1940.

If Mr. Roosevelt should be a receptive candidate for renomination, that would introduce complications the nature of which cannot be fully foreseen at this time. If the question should be whether to nominate a New Dealer selected by Mr. Roosevelt, then the fight will take the lines indicated by the primary results. A strong nucleus built around Senator Bennett Clark of Missouri, former Governor Paul McNutt of Indiana, Senator Byrd of Virginia, Senator Harrison of Mississippi, and Senator Bailey of North Carolina will oppose to the last ditch, and possibly beyond that into a bolt, any attempt to nominate a Roosevelt designee.

It is futile at this time to try to be specific, but the current primary results will provide worth-while crystal-gazing for those who are interested in foreseeing what may happen when the Democrats meet in 1940 to select their candidate.

EUROPE'S POWERFUL MIDGET

By OCTAVIA GOODBAR

A SMALL country of only fifteen million people, Czechoslovakia is a hornet's nest of advanced equipment for destruction. This military power is largely the result of the noteworthy industrial advancement of the Czechs in combination with a firm determination to maintain their freedom from foreign domination, acquired in 1918. They build some of the finest and swiftest planes in Europe. More than 1000 are ready for instant service. And Czech machine guns, recently designed, are believed to excel those of their neighbors.

The famous arms center, the Skoda Works at Pilsen, located in a Czech area, and from two sides surrounded by Germans, is a miniature city with giant chimneys and rambling factories. It is the main source of supply of guns, ammunition and other instruments of war for the Little Entente. Here they are perfecting a giant long-range cannon, gleaming instrument of destruction that may rival the German gun that bombarded Paris; and there are other Skoda guns which can throw shells forty to sixty miles. The Skoda Arms Works are centers, moreover, for many other kinds of engineering construction: automobiles, parts for engines, ships, bridges, etc., and machinery of every description.

But it is at Zlin—"Little America" it is called over there—a remote city, of some 45,000 population, that the miracle of Bata manufacturing methods has produced the most significant industrial development of our day. This is a new, and very successful road to commercial cooperation. It may point the way by which industry can be made safe for humanity and democracy, and peace established between capital and labor. Twenty years ago, Zlin, birthplace of Thomas Bata, founder of the Bata plant, was an obscure villa in a province of Franz Joseph's polyglot Austro-Hungarian empire. Now it is a thriving manufacturing city in Czechoslovakia. In 1890 it had only 2970 inhabitants. In today's 300-room ho-

tel we paid \$1.05 per day for a modern double room with private bath.

In making shoes, automobile tires, and numerous other things, the Bata manufacturer has taken the methods of mass production that were developed in America, and has added to them a form of organization which encourages initiative on the part of the individual worker, provides an incentive for the development of personal skill and the acquisition of knowledge, and then shares with the worker the profits earned by the enterprise. Indeed, the worker shares not only profits; he also shares losses which may be due to himself or to those in his immediate department.

The work of manufacture is classified according to skill required and importance of the task. The works are divided into a hundred departments, each of which conducts its own economic accounts and remunerates its workmen by a share in the results achieved by that department—i.e., according to the quantity and quality of the goods produced, punctuality in delivery, and economy in manufacturing process.

Any losses that the shops may sustain are made good, not by the workman out of his share, but by a higher unit in the scheme—by the management and general direction.

The basis of this system is the fact that the calculations of every department are arranged on such a principle that the department can make a profit on the work it does. The extent of the profit is calculated by each department itself, in advance, when drawing up a scheme of production for the accountancy period.

In one respect the Bata system is different from the systems of other rationalizing factories. The whole training of the workman expert is directed towards the goal of his being able to understand the calculations that lie behind his work and what he makes, and to pass expert judgment

on the work done in the previous phases of production and the operations of the following ones; the ideal aimed at is the workman who can work at all the machines in the productive circle. Thus there is developed a new type of modern industrial artisan. It has become a fait accompli—an economic fact of tremendous significance to every industrial nation in the world, including our own.

Branch plants have been established in England, Poland, India, Egypt and elsewhere. It is understood that a similar branch will soon be set up in the United States.

For the daily output of the Bata shoe work-shops, 14,500 animals must sacrifice their hides. All the cattle in Czechoslovakia, so far as their hides are suitable for the shoe industry, would have to be slaughtered in one year to supply the needs of Bata works.

In 1923 the number of persons employed in the Bata manufacturing and sales organization, all over the world, was 2500. In 1935 the total was 43,000.

The Zlin manufacturing section comprises 63 factory buildings, with a total of 208 "shops" and 3,150,000 square feet of workroom floor-area. At Batov there are 53 buildings, with a workroom floor-area of 983,000 square feet.

Bata not only adopts for himself, the idea of service, he inculcates it among his employees as well. Service to the enterprise and contribution to satisfying the needs of the public—this must be the aim of every employee. Bata does not attempt to achieve such a frame of mind through mere moral conviction; originality lies in the fact that through the autonomy of the various workshops, the sharing in profits and losses, the collective agreements about wages, the bonuses and other rewards, an effective community of interests is formed between the enterprise itself and every individual worker.

Responsibility is divided in such a way that the earnings of most of the work-people depend on the results of their work, or on the results of the work of the group they belong to or direct. The greater the responsibility, the closer the relation between earnings and output. In this way Bata has tried to make his work-people the creators of their own happiness, and to give them the feeling of having a

personal interest in the prosperity of the undertaking. They may, and do, invest their own savings in the enterprise, as is shown in the following table.

EMPLOYEE'S SAVINGS INVESTED IN THE BATA WORKS

(In millions of crowns)

1922.....	6	1929.....	61
1923.....	9	1930.....	74
1924.....	12	1931.....	101
1925.....	17	1932.....	105
1926.....	26	1933.....	111
1927.....	40	1934.....	135
1928.....	53	1935.....	153

Thus the latest figures show an employee investment exceeding five million dollars. The eye of everyone who comes to Zlin is at once caught by terse watchwords in huge letters, expressing philosophy of economic enterprise, and of life, in which the spirit of the undertaking is formulated. A few of these watchwords follow:

A day has 86,400 seconds.

Our customers are our masters.

Let us be proud of our occupation.

Let us surmount obstacles.

Work is a moral necessity.

Hats off to work.

One Works—one Aim.

Struggle is the parent of all things.

Let us be creditors, not debtors.

Let us learn from our mistakes.

The world goes where we urge it.

Strength grows with work.

Pay cash—don't borrow.

Best quality—lowest prices.

Good boots make good moods.

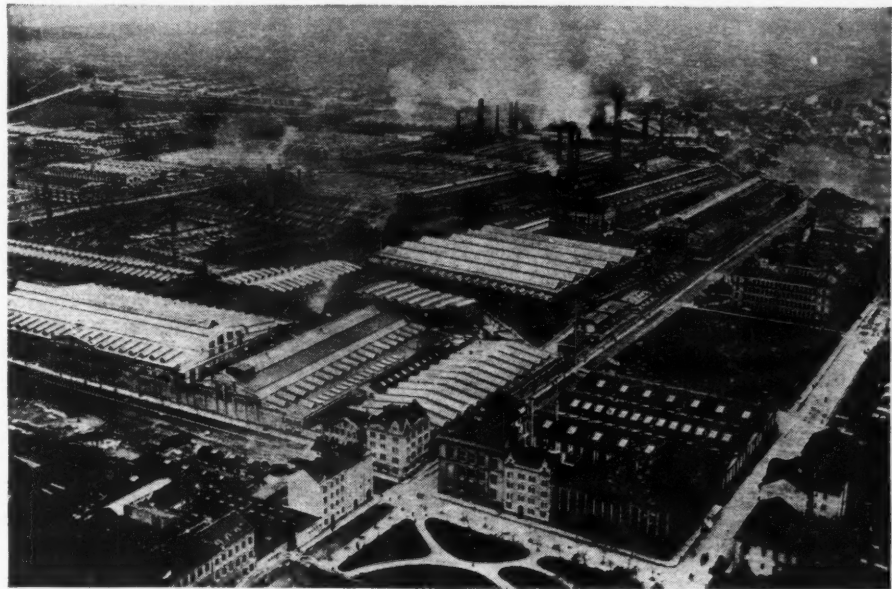
Among the Czechs themselves we find a belief that much of their democratic ideology which now finds expression in devotion to personal and national freedom (and perhaps also in the success of Bata methods) was built up through the Sokol organization established in 1862 for gymnastic training. Through systematic and organized training in gymnastics, this society grew up until it now numbers 800,000 members, men, women, boys and girls. It produced a national discipline and consciousness under difficulties. And there can be no doubt that it has promoted health and unity, while its voluntary nature encourages a sense of personal responsibility and individualism in conjunction with its obvious discipline and order.

Whatever the cause, there is among

the Czechs an unmistakable determination to hold at all costs the freedom which they acquired in 1918. They concede that certain concessions should be made to their minority populations; and they seem willing to make whatever concessions are consistent with the continuance of their own national life and the preservation of natural boundaries. Beyond this they express determination to defend their national existence with reckless disregard for the possible consequence to themselves as individuals. When risks are weighed

rail. But Poland and Hungary might be induced by German pressure to act in concert with German policy.

The only other available route would run through the eastern tip of the country to Rumania, thence to the Baltic through Russia, or to the Adriatic through Yugoslavia. This would be approximately the same as shipping goods from Pittsburgh to Philadelphia via Chicago, the Great Lakes, the St. Lawrence River and down the Atlantic coast. Of course, if trade routes were thus diverted, the loss to German railroads and German



Czechoslovakia's arms center, the Skoda Works, is the second largest munitions factory in Europe. It is located in an area entirely surrounded by Germans.

against advantages, it would seem that no sane government will care to invite destruction of its cities by provoking such a war. Czechoslovakia is not another Austria; it is a hornet's nest. That very fact may prevent a general war.

It has been suggested, nevertheless, that geographical location exposes Czechoslovakia to economic pressure which may succeed where military pressure would be dangerous if not foolhardy. Czech trade with western nations normally reaches the sea across Germany and through Hamburg and Bremen. What is to prevent Germany from raising the cost of, or barriers to, such transportation? Of course there is a reasonably short route to the Baltic through Poland—the Czechs are now using the Polish corridor much more than they did before—and to the Adriatic by boat down the Danube through Hungary, to Yugoslavia, and thence by

shipping would be heavy—and Germany itself would lose an equal amount of badly needed foreign exchange. Even so, however, such cost would be far less than war. The mere threat might be sufficient to bring the Czechs to terms.

Perhaps, on the other hand, Yugoslavia, Rumania, Russia, France, and possibly England, wishing to preserve Czechoslovakia as a non-Germanic island in Central Europe, have already made it clear that economic strangulation would be repulsed by adjusting rates on the round-about journey to a parity with present direct rates through Germany. Certainly a readiness to offset economic pressure in this manner would weaken the fear of such action, and might prevent actual recourse to it. The possibility of such an understanding may help to explain the economic self-restraint thus far manifested in the German-Czech controversies.

Cleveland Versus the Crooks

The team of Ness and Burton has streamlined the city for swift, smooth law enforcement

By STANLEY HIGH

WITHIN a week after Eliot Ness had been appointed Safety Director of the city of Cleveland, he was known to the town's underworld as "the Boy Scout." From the underworld angle he looks the part. He has a dimpled chin, a round face, parts his hair in the middle and blushes easily. His voice is mild and his manner hesitant. He keeps a cat, hates to be out late at night, likes to walk around the house in his stocking feet, and for complete relaxation sits on the floor. After two years as Safety Director, he is still known to the underworld as the Boy Scout. But it has ceased to be funny. Many of those who thought it was funny are in jail or on their way there.

The underworld might have been forewarned. A little investigation would have made it plain that the Ness record belied the Ness manner. Al Capone, for example, could have passed on some useful tips to his Cleveland colleagues. Capone was in jail. And Ness had been one of that small and select company of "G" men—"the untouchables"—who had cracked his rackets and put him there. But the crooks did not investigate. Today the city's bigtime rackets have been smashed, most of the top-flight racketeers imprisoned, a gangster reign of terror brought to an end, a ring of criminals ousted from the Police Department, and the city's civic morale lifted from an all-time low to something near the high level it held in the administration of Tom Johnson and Newton D. Baker.

For this job, which Cleveland likes to compare with Tom Dewey's purge in New York City, Ness was both the out-in-front and the under-cover man. Yet it was not a single-handed undertaking. Ness' office in the City Hall is next to that of the Mayor. Safety Directors for some time past had sat at the roll-top desk that is now his, and administered the affairs of police and fire departments.

More important, previous Directors had no such Director as Eliot Ness, though none of them threw the underworld into any very protracted panics. And previous administrations



Clayton Fritchey, "Cleveland Press reporter, whose nose for news sniffed the story that led to the clean-up of Cleveland political life."

had no such Mayor as Harold H. Burton.

Burton himself was hailed with a good many horse-laughes when he made his first race for the mayoralty. He was no politician—not, at least, by the definition of the city's entrenched racketeers. He was too obviously honest. He talked like a reformer and Cleveland, in the opinion of those who had been running it, would never put up with that. That he once served for a short time as Acting City Manager, and later as Acting Mayor, was not accepted as a qualification. Moreover, 1935, when he made his first campaign, was plainly a Democratic year and Burton was a Republican. In view of all this, the old-time politicians trotted out their old-time candidates and sat back to watch the fun.

That was a mistake. Burton is no whirlwind as a public speaker and

he is almost as mild-mannered as Ness. But he is a native New Englander. Cleveland had never seen such a mayoralty campaign. Every political boss and every boss' ward leader was against him. He got along without bosses and leaders. He campaigned sixteen hours a day. He met the night shift when it quit work, and was on hand when the day shift took over. His average speaking time, with from fifteen to twenty minutes to a speech, was just under four hours daily. His secretary got a list of all the gatherings of the city's minority groups—Slovenian dances, Swiss gymnastic exhibitions, Polish musicales, Negro outings. He got to most of them. All he offered was a return to Tom Johnson's aim to make Cleveland "a happier place to live in, a better place to die in." That was not very revolutionary. But in a city afflicted with gangsters and over-run with racketeers, it caught on. So did Burton. He was elected, in 1935, by the largest majority in Cleveland's history.

He picked Ness as his Safety Director because he was the best available man for the job. Having got the man he explained what he meant by a crook-free city government and turned Ness loose, with a free hand, to get it. Ness at that time was 32.

Cleveland, then, had some doubts, about Ness. But no one had any doubt about the size of the job he had undertaken. For twenty years the city's underworld had operated in alliance with officials of the police department. Sheltered by this alliance, racketeering went unmolested. Organized labor was victimized by gangster-leaders. Don Campbell and John McGee, chief of these gangsters, collected an enormous tribute from the building industry and backed their threats with professional bombers, whose depredations had smashed more than 9000 plate glass windows, produced a reign of terror and brought construction activities in the city almost to a stand-still. Police-

protected gambling joints had become sanctuaries for nationally-known criminals. The crooks, in the police department and out of it, had their way at the polls and two Grand Juries—appointed to appease the decent populace—had walked up to the situation and then, intimidated, had white-washed it.

And just to make sure that Cleveland was left in no doubt of the power and authority of the underworld, McGee and Campbell, shortly before Ness's appointment, decked themselves out in cut-aways, striped trousers and topped hats and preceded by a band and followed by a police car paraded one day at high noon through the business district—bowing to right and left from their open limousine. Banners carried in that parade by gangster underlings stated, in foot-high letters, what these lords of the crime domain thought of the city's law enforcement agencies. And the law enforcement agencies, thus defied, were able to do nothing about it.

THAT, in brief, was the situation that Ness found on his desk when he took over the office of Safety Director. It was clear that his clean-up job, to be effective, would have to begin with the Police Department. But the crooks in the Police Department were old hands at the game and not easily caught. The undercover men who had been brought in from the outside and planted in various parts of the city brought back plenty of leads but little evidence. Ness needed a break.

It came, finally—not from the office of the Director of Safety, but from the news room of the *Cleveland Press* and in the person of Clayton Fritchey, ace *Press* reporter. Fritchey, one day early in 1936, found parked in front of his desk a huge Slovenian, Gus Korach, by name. He had been sent to Fritchey by the city editor with a warning to look out for a cock-and-bull story. What Korach had to say sounded like that. He had, so it appeared, saved \$2000. The \$2000, until recently, had been in a building and loan company. A short time before, he had "reinvested" it—this time in cemetery lots: eighty of them. Most of his frugal neighbors were doing the same thing. Gus, however, was suspicious. Wouldn't the *Press* find out for him if everything was all right?

Fritchey was not impressed. Such a line of inquiry seemed a bit outside newspaper routine. The city editor felt the same way about it. But to make sure, Fritchey, the next day, called on Gus in his home in the Slovenian district. What he heard there was the ancient story of the slick salesman and the sure-fire proposition. The two of them made a tour among Gus' neighbors in the block. They found that in every home the salesman had peddled graveyard plots—in batches of from 50 to 200 graves each—and had walked off

of white-washers. The king-pin of the cemetery racketeers committed suicide. A good many of his subordinates fled the city.

But Fritchey was not convinced that the clean-up was complete, Gus Korach and his Slovenian neighbors had spoken frequently about a mysterious John L. Dacek, who, in one way or another, seemed to have figured in most of the transactions. Dacek had not been found and it was Fritchey's belief that the racket would not be entirely uprooted until he was.



Mayor Harold H. Burton and Safety Director Eliot Ness, the team which ridded Cleveland of its gangster-domination.

with \$86,000. Fritchey knew that an Ohio law prohibited the sale of cemetery lots for profit. He began to smell a story.

Back in the news room the city editor turned him loose to make what he could out of it. What he found was a major racket that was taking several million dollars a year chiefly from foreign born people and which already had sold cemetery plots sufficient for Cleveland's needs for the next five hundred years. One \$6000 bit of pasture land had been boosted into a \$6,000,000 clean-up. Another outfit, with an original investment of \$50,000, was well on its way to a \$10,000,000 profit.

Fritchey reported what he had found to his editor. The two of them got in touch with the county prosecutor and his assistant—who, like Mayor Burton and Director Ness, were out to rid Cleveland of rackets. The Grand Jury that they finally got together was not an aggregation

Fritchey figured a long time over that name. Neither the name nor the initials looked right to him and yet they seemed to be familiar. One night he got out a pencil and paper and worked with the letters. He could make nothing intelligible out of them until the name flashed through his mind of a notorious captain of police whom Fritchey had seen that day at the City Hall. L. J. Cadek! That meant something.

Cadek, for 20 years and for a large profit had been the boss of the city's vice and gambling districts. The cemetery racket was a "natural" for him. He went into it as John L. Dacek—too sure of his status to take the trouble to get a good alias.

Fritchey's editor agreed that this looked like the biggest story of the lot and turned him loose again to dig it out. Whereupon Fritchey started an undercover investigation of his own. He found the small out-of-the-way banks in which Cadek de-

posited his money. He ran down \$139,000 in his personal accounts. He found that the captain's deluxe automobiles were gifts from two of the city's most dangerous gangsters. Hobnobbing with the underworld, he got a line on who paid Cadek for protection and how much they paid. And when he had satisfied himself that he was on the right track he called at the prosecutor's office with his information. A month later Cadek was on his way to the State Penitentiary.

That was the break that Ness had been waiting for. He, a Republican, immediately formed an offensive and defensive alliance with the two Democratic prosecutors, McNamee and Cullitan. Acting on a plan agreed to, Ness disappeared from the City Hall and Fritchey from the newsroom of the *Press*. For three months they carried on an undercover investigation. At the end of that time—with the *Press* heralding its scoop with seven-column streamers and an extra—Ness, on October 6, 1936, began his purge of the Police Department with the summary suspension of eight officers. All eight were immediately indicted for bribery. The underworld came to their aid with a large defense fund. Crack criminal lawyers defended them. Witnesses were intimidated. The case of Captain Harwood — “the cop who couldn't be broken” and who, on a \$40 to \$70 a week salary had amassed a \$200,000 fortune — was carried to the United States Supreme Court. But the prosecutors, McNamee and Cullitan won every round. Harwood went to jail. The record, to date on the police crooks, stands at six trials, six convictions, six jail sentences.

After that preliminary house-cleaning, Ness was met with a wave of police resignations which he gladly accepted. He filled the vacancies with men of his own choosing—more than half of them college graduates. By last fall, with a rejuvenated and regenerated Police Department, he was ready to move against McGee and Campbell—the city's arch terrorists.

THESE men had carried on their immensely profitable rackets from inside the ranks of organized labor where they had a hold which the decent rank and file union members could not break. Campbell was President of the Painters' District Council, head of the Glaziers' Union

and tied up with other locals. McGee bossed the Laborers' District Council. Campbell, because of his position in the Glaziers' Union, was emperor of the city's glass industry and he exacted an emperor's toll. No glass of any kind was set anywhere without his permission. If a builder sought



In top hats and tails paraded Don Campbell and John McGee, chief of the brick-throwing gangsters, on the eve of the election.

to set glass without his permission the union workers were promptly called off the job. If the builder tried to go ahead with non-union workers, his recklessness was met with a stench bomb or—if plate glass was involved—with a brick. In the end, most builders were obliged to come to terms and pay Campbell his shakedown fees. Then, to add to his earnings, Campbell organized a glazing company of his own. Thereafter, builders not only had to pay the usual shakedown, but they had to buy their glass from Campbell's company.

McGee's tie-up was a natural one. In 1934 he had organized the Window Washers' Union. He used the same tactics to get his men employed that Campbell had used to promote his glass.

How well Campbell and McGee had done the terrorizing end of their business was indicated when Ness, following his undercover leads, began to look for witnesses. Substantial citizens, who had been shaken down, refused, point-blank, to run

the risk of appearance in court. It took several months to gather trial-proof evidence and get together a group of business men willing to see the case through the trial. With that backing, however, Ness got the necessary indictments.

Campbell and McGee were not alarmed. They put together a \$30,000 defense fund, brought in labor leaders from other cities as character witnesses, brought out all their long-proved tricks of threat and bribery. But the jury, composed largely of labor union men or the wives of union men, eager to break the hold of the racketeers on their organizations, found them guilty. Bail was denied. They were sentenced late in March for from one to five years each. The same day—this time in a police car but without top hats and a band—they started for the Ohio State penitentiary.

Meanwhile, Cleveland has had a chance to declare itself on the Burton-Ness regime. In the mayoralty campaign last November the threatened sovereigns of the underworld marshalled their forces to drive the administration from office. But Burton, promising only a continuance of what he had begun, was returned to power by a vote second in the city's history only to that which he rolled up at his first election.

Ness, having ousted or jailed the big-time racketeers, is cleaning out the remnants of their rackets and streamlining his police department. The city has not had a gang murder in two years. Traffic accidents have been cut by more than 50 per cent. As a crime preventive, the youth of every congested precinct in the city have been organized in Boy Scout troops, with Ness' policemen acting as scoutmasters. Ness—who gets \$9000 a year—has been offered several times that amount to go into private employment. “Some day,” he says, “I may take one of these jobs. Right now, however, I want to prove what an honest police force with intelligence and civic pride can do.”

Over at the Cleveland *Press* Clayton Fritchey is back again on routine assignments. He tries to minimize the part he played in the clean-up. But his editor does not minimize it and—for proof—he can point to the Pulitzer Prize Award for Civic Achievement which, last year, was granted to Fritchey and the *Press*.

THE STORY OF A GERMAN TOWN

By EDWIN WARE HULLINGER

THE CHANCES are that you have never heard of Goenningen. No world-shaking events are associated with the name of this small German village which can trace its history without break back to the twelfth century. You will not find it in your history book. Unless you have a very big atlas, you will not even find it on the map. But this idyllic little town, nestling in a velvet-green valley high in the Schwaebish Alps is important because it is perhaps typical of thousands of other villages all over Germany.

I visited Goenningen because I wanted to see what effect the Third Reich has had on the small German village. I wanted to discover what changes the National Socialist state has wrought upon thought processes of the German peasant.

Outwardly, Goenningen is completely removed from the surge of twentieth century revolution and political dogma. This little town of 1800 souls, sheltered on two sides by pine-covered foothills of the Schwaebish Alp range, marks the terminal of the narrow gauge railroad which twists up from Reutlingen, near Stuttgart, through beautiful little valleys and picturesque villages with names that jingle with the sing-song endings Schwaeben has inherited from its Celtic past. Through Sondelingen and Maehringen, past Genkringen and Gomaringen, the diminutive locomotive tugs and jerks its two third-class coaches.

Look out of your compartment window and you will see peasants—women in kerchiefs and black, men in toneless gray—bending over their hoes, tilling their immaculate fields. Here and there you will see a peasant plodding along beside a team of huge oxen, ploughing the soil as he has ploughed it for centuries. You will have the feeling that you have unwittingly stepped through the frames of a Millet painting to see the original of *The Gleaners*.

When you have finally reached the end of the line, you load your suitcase on a little green hand-cart, and squeeze your way through Goenningen's crooked streets. Chickens dart across your path. A broad peasant woman leading a cow looms ahead as you turn the corner. You dodge a pair of goats. An ox-team is impatiently followed by an automobile which belongs to one of the richer townsmen. In Goenningen the middle ages and the twentieth century rub elbows, and it is the past that predominates.

Manure piles at each front door give a certain tang to the air; but these are convenient barometers of the relative material wealth and social position of the family that lives inside. For in Schwaeben, as in most peasant lands, social prestige is determined by the number of horses and cows one possesses.

A merry old man with iron-gray beard and snapping eyes—the village "gossip"—came running from one of the doorways to find out who I was and from where I had come. The town, he told me, was at the moment comparatively depopulated, for many villagers had already

left on their annual seed-selling pilgrimages. For three centuries Goenningen has been famous as Germany's "seed town." During spring and summer peasants till their fields, but when autumn comes they venture forth singly and in couples, and sometimes by families, to sell seeds throughout the entire country. Formerly they drove wagons, but now they travel by auto and train. Some have covered the same route and served the same clients for five or six generations.

My host for the week-end occupied the largest house in the village, a three-story chalet on the slope of the Rossberg. He was not a peasant, but a workman in a textile factory in Gomaringen, ten kilometers distant, who cycled to his work every morning during the summer. But his family was of the earth, and he himself had lived close to the soil a great deal of his life.

I had come with a letter of introduction from an old friend of the family in America. He received me politely, but both he and his wife appeared just a bit afraid of me. For nearly an hour we sat stiffly in the parlor that was dominated by an elaborately-carved tall Bavarian stove more than a century old. By tea time my host and hostess had evidently decided that I could be trusted, and they gave unsparingly of their delightful hospitality.

IT WAS not until my host and I went for a stroll along the slopes of the Rossberg, a few hours later, that I had an opportunity to ask the question that was foremost in my mind. Hundreds of feet below us, down the mountain-side, was Goenningen, its red tile roofs and white walls shining in the late afternoon sun.

"How do the peasants in these parts feel about National Socialism?" I asked him.

"Ninety per cent of the peasants in this community voted the National Socialist ticket in 1933," he told me. "Nazi made lots of propaganda—held meetings and talked over the radio. But no force was used at the polls. The peasants voted for Hitler because they thought he would save the nation from Bolshevism. We had two small battles with the Communists in this valley in 1932. There were 65 or 70 of them in our village. Now there are only two, and they do not talk much."

"To what extent has National Socialism entered into the daily life of the peasants here?" I inquired.

"Every peasant in this district, as in all Germany, is required by law to be a member of the National Food Corporation, the organization which controls Germany's food production. The leader of the local unit supervises the district, and is responsible to the leader in charge of the regional section. He sees to it that the peasants plant the right crops, that their farms are properly tended, that, in short, they conduct themselves as good peasants.

(Continued on page 61)

SOUTH AMERICA'S NO. 1 TYRANNY

By GENARO ARBAIZA

AT the culmination of a career that covers a quarter of a century from 1914, when he first raided the Presidential Palace in Lima as a revolting Colonel, to the present day, when he holds the center of a machine-gun-barricaded dictatorial climax, Oscar Benavides embodies a complete cycle in Peruvian political leadership.

The events leading up to his second dictatorship,* the man himself, mean that the Peruvian ruling class has not been able to extricate itself from the factional strife in which it has tossed about for 116 years of republican history.

To interpret the present strong-armed lull as a sign of stability would be as mistaken as to regard the prevailing Peruvian trade boom as a sign of good administration. Peruvian political life closely follows Peruvian foreign-propelled economy. The 1929 international business breakdown brought about the three years of restlessness and bloodshed that preceded Benavides' advent to power, and it was recovery that ended political convulsions and ushered in his present ruthless order. Peru's foreign trade boom since 1934 has enabled him financially to enact his own bayonet-bristling political boom.

Appearances of prosperity in Peru, from the thirty-year guano boom in the nineteenth century to this day, have always been the result of foreign demand for Peruvian products or foreign lending. During the preceding boom in the 'Twenties we heard much, too, about Leguia's "stability" and "good administration," and we know now what happened to both. The downgrade trend of Peruvian overseas commerce during the last few months and the recent drop in the sol exchange may be an indication that the 1934-1938 boom is approaching its end.

*This is the second and concluding article on the Peruvian situation by Mr. Arbaiza. The first, *Benavides of Peru*, was published in the May issue of *Current History*.

Behind this political anarchy, there is an anarchic economic tradition which for a century has driven Peruvian society in a jolting course, a tradition which the Peruvian ruling class has been unable to overcome or perhaps even to understand. A mixed offspring of sixteenth-century adventuring and plundering imperialism, that class is still adventuring and plundering. It has shown no constructiveness.

CONSISTING of landholding and local and foreign business groups, the officialdom and the Catholic clergy, and possibly aggregating between 150,000 and 200,000 people, this ruling class, although shaped by a stubborn Spanish racial backbone, is now a motley affair including many admixtures, mainly mestizo, to a lesser extent mulatto, and the rejuvenating strains of thousands of nineteenth and twentieth century economic adventurers, Italian, French, English, German, American, Irish, Jewish, etc. The business group includes many Japanese and Chinese.

This class, together with perhaps one and a half or two million people, for the most part white, mestizos and mulattoes, living in coastal and highland towns, form the Peru that claims a nationality. As for the large Indian majority, estimated at about four million, descendants of the Inca civiliza-

tion, they are the inarticulate Peru. They don't understand their masters' tongue, they don't even know the modern name of their country.

PRESENT Peruvian economy ignores them. It is not concerned with their abjection, their needs or even their ability as producers. It regards them only as little less than farming animals and beasts of burden. Peruvian masters despise the Indians, and their contempt has made of that splendid human material a disjointed mass of coolies. Spaniards tore Indian social organization to pieces, and present rulers of the land have no plan to offer after four centuries of disorganization. Those fair-skinned Peruvian ambassadors and envoys representing brown Inca masses are one of the cruelest shams in world diplomacy. Imagine a mixed Italian ruling class grown during the next four centuries of Italian domination in Ethiopia, and Italian-speaking diplomats representing the Ethiopian people.

The nucleus of the Peruvian ruling class thrives as an appendage or ally of foreign capital. Its economy has always confined itself basically to landholding, the enticing of foreign investments into the country, and the eager disposal of resources for foreign cash — an outward-looking economy traceable to colonial tradition of plunder, and brought up to date by modern technique of business plunder. Within this economic government is nothing more than a get-rich-quick scheme.

The story of Peru is the story of outsiders carrying away gold and silver, guano and nitrate, copper, petroleum, cotton and many other products. The story tells, too, how outsiders took a hand in internal politics and strife to protect and promote their interests; how the factions fought for the right to squander a treasury enriched by foreign enterprise or how they clashed in the despair of impoverishment, how they were induced by international money-lenders into mounting financial involvements.

By the end of 1936 Peru's debt had reached a total of nearly 712,000,000 soles (about \$178,000,000). Today, most of Peruvian exportable wealth, a large part of local industries and the main railroads are controlled by foreign capital. The process of trading away national resources and the growth of foreign enterprise within the country has been on the upgrade

Who is Oscar Benavides?

What are the chief American investments in Peru?

Which one of the following foreign nations has exerted the greatest influence in Peru during the last few years: Italy, Germany, Great Britain, France, United States?

Has Peru defaulted her debt to the United States?

Has Benavides completely liquidated the revolutionary Apra?

These questions are answered in the accompanying article.

since the 1879-1882 debacle when Peruvian economy touched its low ebb after the war with Chile.

At the present time foreign investments may be estimated at more than half a billion dollars. The vital role of this investment in visible Peruvian economy shows by contrast the subservient position of the native ruling class. The latter, as represented by the faction in power, derives gain and support from foreign capital in various ways—customs tariffs, internal taxes, loans and others, not excluding bribes. With a total foreign trade of over 600,000,000 soles (about \$150,000,000) in 1937, the largest single item of government revenue that year, over 50,000,000 soles from customs tariff, represented about one-third of total government income. The foreign-controlled export industries employ an estimated total of over 200,000 workers with wages ranging from 20 to 75 cents a day—crumbs tossed to them by foreign capital. Yet at that, their lot is perhaps better than that of peons *enganchados* by the government or owned by the creole semi-feudal lords.

British investments, dominant in the nineteenth century, reached a total of \$54,000,000 in 1889 with defaulted interests in loans to the government—an uncollectable debt which the British, with the help of their local allies, artfully turned into a most profitable deal in 1890 by organizing the Peruvian Corporation which "assumed" the debt and swallowed Peru's railroads. To be sure, the railroads were only "leased" until 1959, but Leguia

in 1928 definitely transferred them "in perpetuity" to the Corporation, and today this represents the larger part of British interests, estimated at about \$150,000,000. Construction of the new port of Matarani, a \$4,000,000 project of the present administration to replace Mollendo as terminal of the Southern Railway, will benefit the Corporation, for Mollendo is hardly more than an open roadstead.

Since the turn of the century, U. S. investments in oil, mining, shipping, utilities, banking, manufacturing, aviation, plantations, etc., have grown to a total exceeding \$200,000,000 and now rank first in size. The outstanding interests are in oil (International Petroleum, an \$85,000,000 corporation controlled by Standard Oil of New Jersey) and copper (Cerro de Pasco, a \$41,000,000 corporation). W. R. Grace & Co.'s holdings in Peru form perhaps the main stake of their immense shipping and investment domination on the west coast.

The present Peruvian external debt with charges, over \$140,000,000, nearly all of which represents loans floated since 1922, is held in the United States and Great Britain, and factional strife in the past decade has placed this investment in an illuminating situation.

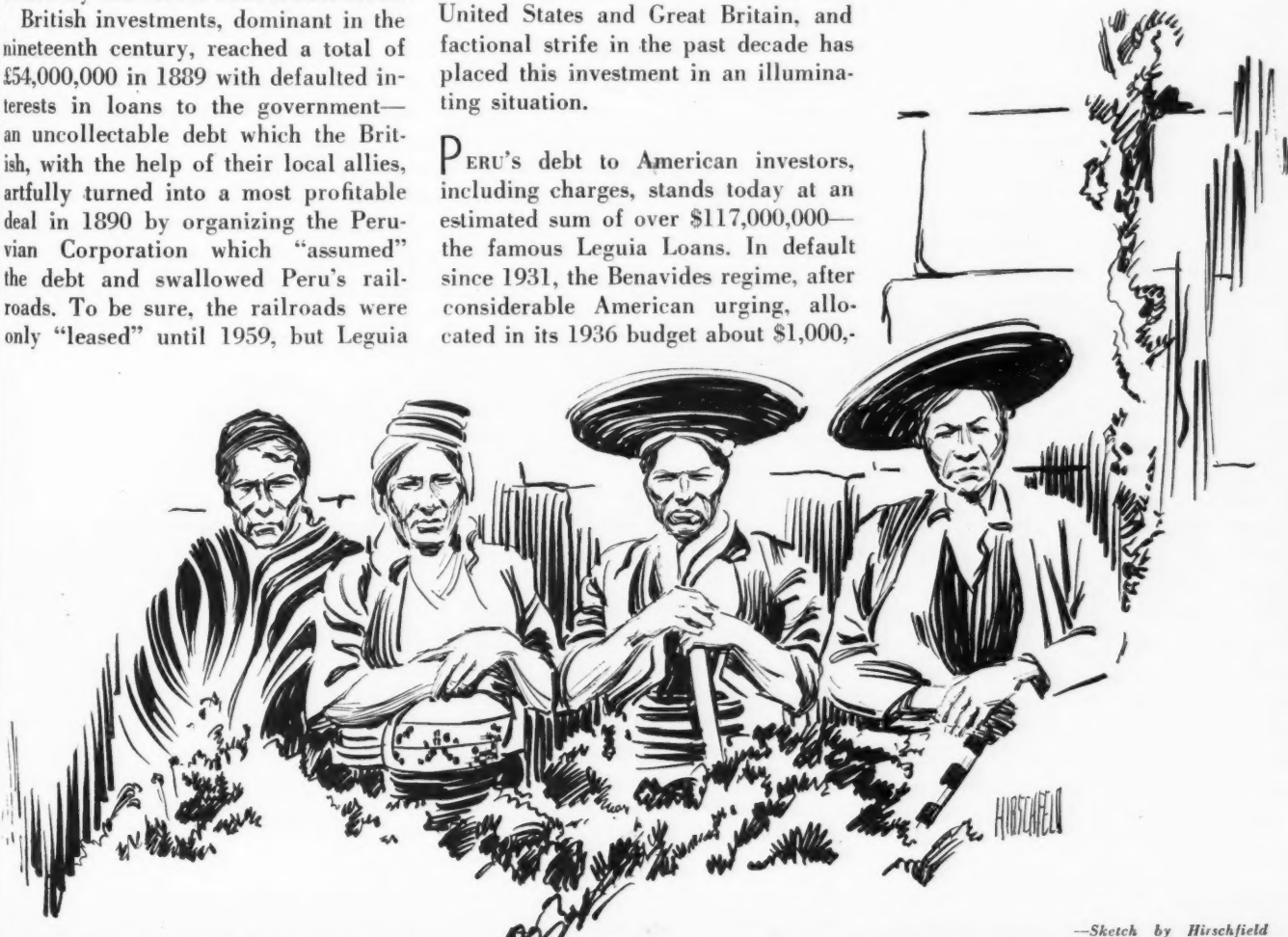
PERU'S debt to American investors, including charges, stands today at an estimated sum of over \$117,000,000—the famous Leguia Loans. In default since 1931, the Benavides regime, after considerable American urging, allocated in its 1936 budget about \$1,000,

000, half for interest on, and presumably half for amortization of, the national and tobacco dollar loans. The Foreign Bondholders' Protective Council in September 1937, when the offer of purchase of coupons was made to investors here, assailed it as "inadequate," stating that Peru had ample excess revenues to take care of its obligations and advised bondholders not to accept the offer. Nevertheless, some of them have sold their coupons on the theory that it is better to get anything than nothing at all.

"But," ask the investors who in the merry 'Twenties were enticed by nice circulars to lend money to Peru, "why does Benavides refuse to pay?"

In the first place, defaults, which have been for a long time a Peruvian weakness, are now the fashion.

"Look at Europe," the Civilistas and the Benavidistas would like to answer the investors. "If they don't pay, why should we? Besides, those loans were for Leguia and his crowd. We didn't get a red penny out of them. On what moral grounds should your bankers, the bankers who bribed Juan Leguia, the dictator's son, with



—Sketch by Hirschfeld

Descendants of the Inca civilization. Although comprising the majority of the population, these people are for the most part inarticulate in Peru's affairs.

OSCAR BENAVIDES, Peruvian dictator, was born in Lima in 1876, and first came into notice in his country as a commanding officer of Peruvian troops in a jungle frontier clash with Columbian forces upon the banks of the Caqueta river in 1911. Three years later, he "stole" a revolution that was being carried out to overthrow President Billinghurst, and after an attack on the Presidential palace in Lima, he made himself dictator. His first dictatorship lasted over a year, leaving a record of violence, brutality and corruption. When he took leave, making room for the leader of the Civilista faction that had supported him and made his rule possible, the Lima populace gave him an ignominious send off.

From that time on, as a potential and actual conspirator, he was kept away from the Peruvian political scene by diplomatic appointment and deportation. His return to power in April 1933, upon the assassination of dictator Sánchez Cerro, his younger rival, who had learned from Benavides "the art of President-snatching," and had overthrown Leguia in 1930, marked the beginning of his present dictatorial regime.

This regime has been characterized by a ruthless persecution of the Apra, the first Peruvian political party that has offered a nationalistic economic program in that country, and is said to be backed by the majority of the electorate. Since November 1936, when he voided the election won by the Apra, Benavides has been ruling the country by decree.

nearly half a million dollars, come to us and demand honesty in financial transactions?"

However, Civilistas and Benavidistas are right, for Peruvian national funds are spoils of the faction in power. They would have liked to repudiate outright the annoying burden handed down to them by their mortal enemy, but Peru may find itself compelled some day to come to Wall Street for a refunding respite and a little more cash. Meantime, while making gesture payments, the Peruvian government has suggested the scaling down of the corrupt Leguia loans.

ITALIAN influence has topped all others in the Peruvian scene during the last few years. This may be attributed not to the volume of Italy's trade with Peru, which ranks low, but rather to an aggressive Italian local banking policy and Fascistification of a large, industrious and wealthy Italian colony. Italian capital invested in Peru, estimated by U. S. Commerce Department (Trade Promotion Series, No. 25) at \$40,000,000 in 1925, has grown considerably since and now probably exceeds \$100,000,000. Many settled Italians and Italians of Peruvian birth who control large interests in mining, oil, sugar mills and plantations, manufacturing, shopkeeping, etc., have been lined up by fascist diligence and racial pride, and their aggregated capital now has political weight.

Describing Henry Meiggs' relations with Peruvian rulers in the nineteenth century, Charles F. Flint says "he managed men while they managed the country." Since Meiggs, no foreigner has wielded more sway in Peru than Gino Salochi, head of the Banco Italiano with over 206,000,000 soles (\$50,000,000) assets. The Peruvian government banks with, and is a borrower of, the Banco Italiano. In February 1936, it owed the latter 20,500,000 soles out of a total indebtedness of 26,200,000 soles to commercial banks. The Banco's profits in 1936, at 1,504,000 soles, were highest among banks. This open alliance between the government and the Italian institution is at the bottom of fascist penetration in Peru, where it has become more outspoken than in any other Latin-American country.

Other Italian investments include Empresas Eléctricas, a \$19,000,000 utilities company; Italo Peruana, S. A., selling electrical supplies; Dusa Radio Broadcasting and Caproni military aircraft plant, which is not only an industrial, but a political investment, for it was the first to introduce Mussolinian bluffing and bullying tactics into South America.

Germany has the second largest share in Peruvian total imports, and the German bank (Aleman Transatlántico) was carrying 3,900,000 soles of government indebtedness in May, 1936. The Gildermeister \$20,000,000 sugar investments (Chicama valley)

control the port of Malabrigo since Benavides' first regime. An air passenger service linking Lima and Berlin will soon be started by German Luft-hansa with tri-motored Junkers.

LIFTED to record heights by a boom in Peruvian export values since 1935, with a 139 per cent increase in foreign trade and peak revenues (over 165,000,000 soles in the 1938 budget), the present regime is indulging in a saturnalia of soles similar to the Cuban *danza de los millones* in the Machado era. While Leguistas and Sanchezerristas are sighing and swearing and starving in exile, the fiscal morsels of present prosperity are falling fast into the mouths of Civilistas and Benaviadistas whom Leguia starved for eleven years. It is the law of Peruvian politics.

Benavides' clan and clique are conspicuously in possession of all high government offices and monopolies, strategic local banking positions and diplomatic posts. Grand schemes of development have been launched as in the Leguia decade—a 43,000,000 soles irrigation project for which the government has been negotiating with the Handels Consortium, extensive public works, "restaurants for the poor." The Indian problem, Benavides tells us, is to be solved by road building. Peruvian rulers have for many decades talked of "bringing the Indians into civilization" by that means, but while Indians wait to be brought into the white man's civilization by new highways, white men are using in inland Peru the roads legated by the Inca civilization.

With Peruvian credit abroad at a standstill since the crash, government financing is carried on through local banking and credit institutions.

Loans to the government by the Reserve Bank totaled about 45,000,000 soles (\$11,250,000) on December 31, 1937. Floating and short-term debt aggregated 166,587,000 soles (about \$42,000,000) at the end of 1936, the latest available figures, while the internal debt had reached a total of 73,842,000 soles (about \$18,500,000) on December 31, 1937.

American interests, including International Petroleum and Cerro de Pasco, also have made advances to the government, in one instance for the Callao docks construction—which, incidentally, was a desirable improvement for the copper concern.

A loan contract just entered into by the Government with Standard Oil interests (International Petroleum) is of such size and significance that it can hardly be classed as an advance. An eight-year loan, for 33,600,000 soles (about \$8,400,000) plus \$850,000 in United States currency, at 3 percent, it is to be paid with the proceeds of taxes on petroleum products, the royalty on crude oil produced by the Compania Petrolera Lobitos and the petroleum export tax. The terms provide that, so long as the loan has not been paid in full, the Peruvian Government will not alter the export tax nor establish additional taxes. It seems that the scare created by the Mexican expropriation has induced Standard to go into that sort of international financing in South America.

Tax collection in Peru is a private business, and the Caja de Depósitos y Consignaciones established for the purpose in 1905 during a Civilista regime, has no equal in the world as an ingenious device for government revenue squeezing. Caja collects taxes for the government, receiving a commission, manages government monopolies in tobacco, alcohol, salt and matches and lends money to the government against collections at handsome rates. Thus, the government actually borrows its own funds. Its present obligations to Caja are a large item in the nation's debt. The Caja management and commission charges alone in 1936 amounted to more than 12,000,000 soles.

But that is not the only function or service the government has relinquished or leased to private business. Docks of a number of Peruvian ports are privately managed by Caja, the Peruvian Corporation and other concerns. Leguia turned the country's postal, telegraph and wireless services over to the Marconi Wireless, a British concern, in 1921, and Benavides extended the concession until 1942.

While with one hand the present regime has been having its feast, with the other it has built a formidable machinery of oppression. In his first regime back in 1914 Benavides, facing old-fashioned rivals, followed conventional lines, whereas today, confronting the Apra, he has a much harder job. The Apra program of economic nationalism and economic liberation of the Indian masses threatens to upset the present order.

He has set up the strongest military

and police organization Peru has ever had, with a Fascist-trained police of nearly 9,000, including spies, requiring an expenditure of over 15,000,000 soles a year, and an army of over 7,000 equipped with more than 100 fighting aircraft. Three items in the 1938 budget—Government and Police (29,554,000 soles), War (23,023,000 soles) and Navy and Aviation (12,487,300 soles)—aggregate about \$16,000,000 and represent 39 per cent of the total outlay. A vast program for



—Sketch by Hirschfeld.

Peruvian Indian

construction of new military and police barracks and air bases is under way. The paragraphs referring to this program in Benavides' latest message—which, for the lack of a Congress, he read into the air—are replete with achievement. Benavides' strength lies entirely on this machinery.

HE is not nor has he ever been popular or even liked. Not possessing the magnetism of all *caudillos*, he never had a following. Within the very class he is supporting there is a growing number of sotto voce critics and malcontents, although this probably is due in part to the fact that the Benavides clan and clique operate as a close corporation. Many well-to-do people bow to him only because they are afraid an Apra government would despoil them. Faced by a silent, bitter opposition that represents the great majority, he holds it under control by police terror. Among smaller opposing groups, Sanchezerristas are held together by a posthumous loyalty, and

Leguistas apparently place their only hope for a comeback in an Apra Trojan horse. Overthrow of the present dictatorship is possible only in one or two events—treason within the clique in power or within the army if the purse gives out, which would be the traditional way, or an Aprista revolution. The Apra is believed to have behind it 60 to 70 per cent of the electorate, and if there were elections tomorrow, the Apristas would undoubtedly win. But it is obvious they do not have enough financial means for a revolution.

Nevertheless, Benavides and his crowd betray a nervous mind. One day a few years ago a series of bomb explosions startled Lima. Another revolt? Were the Apristas out to overturn Benavides? The police spread out, searched, but they found nothing. The explosions persisted. Who was bombing whom? Where was the outbreak? Later it was established the Apristas were celebrating Haya's birthday with Roman candles and fireworks. Repetition of the mischief caused Benavides and his advisors to draw up their greatest piece of legislation last year—the Ley de Seguridad Pública No. 8505 which will be known to posterity as the Fireworks Emergency Act. It covers about three newspaper columns. Declaring at the outset that it is an offense against the political and social order of the Republic "to try to frighten any person verbally, by writing or by any other means," it lists a number of acts punishable with deportation, jail or confinement, among them the firing of rockets.

But not all the self-protecting measures taken by the present regime are as amusing as that. The Apra is being brutally persecuted by methods resembling those of Machado's Porra. Peruvian jails hold more political prisoners today than any country in this hemisphere with the possible exception of Brazil.

The Apra charges are too serious to be lightly dismissed. According to them, there are more than 5,000 men and women held there only because of their political ideas, and living under nauseating conditions. Hundreds of prisoners are said to have died from disease. Several Apristas have been killed by their captors, and others have undergone inquisitorial tortures. Hundreds of others have been sent to jungle concentration camps.

A. R. P.

Europe is buzzing with activity in its elaborate precautions against air raids

By MALCOLM ROSHOLT

AROUSED by the horror of air raids in Spain and in China, metropolitan centers in England and on the Continent are taking rigid precautions against a similar fate. These include mass instruction in fire drill, decontamination work and first aid. The watchword is "Discipline." It sounds simple. It is simple. But there is much more to it than discipline.

A few years ago we were warned of civilization's impending doom by the destructive forces of the airplane. Whole cities, it was intimated, could be wiped out in a single attack by incendiary bombs, gas, and high explosives rained from the air. It was hinted that the airplane had become such a powerful force that nothing was capable of allaying its horror or grappling with its destructive tentacles. The air arm of the enemy could reach out like a giant octopus and spread terror throughout the land before organized resistance could be effective.

It is against this danger—the danger of the "knock-out blow," as it is referred to in London — that leading governments in Europe are preparing themselves. The theory of the knock-out blow holds that by a series of intensive air attacks the morale of a nation can be shattered and essential service on which life depends can be destroyed.

Still, it takes a hefty punch to knock the average man out. If he resists, the chances of a knockout are reduced still further. Under the present system of A. R. P. (air raid precautions) in Europe, it will be next to impossible for any nation to score a knock-out blow by the use of its air arm. All offensive instruments can be countered, experience has shown, with equally effective defensive instruments and technique.

Most people associate air raid pre-

cautions with gas masks and especially-made rubber suits. Others believe canaries are going to be used to warn of attacks. If the canary continues to chirp, then the signal is "all's well." If he looks a little green around the gills, the signal is "stand by." If he falls from his perch, it's time to get the gas mask out. If he falls through the floor, it is too late.

In a home in London recently, noting the absence of canaries, parrots or gold fish, I inquired what the hostess would do in case of an air raid. Did she have a gas mask? No, she had no gas mask. Wasn't she making an effort to get one? No, but she supposed the Government some day would bring one around. There was not so much apathy in her attitude as there was confidence in the Government to protect her in time of danger.

In France, Belgium and the Netherlands, air raid precautions have been organized on lines similar to those in Great Britain. The difference between precautions taken in democratic nations and those in dictatorial nations is that whereas in democracies air raid precautions are voluntary, in totalitarian states they are compulsory.

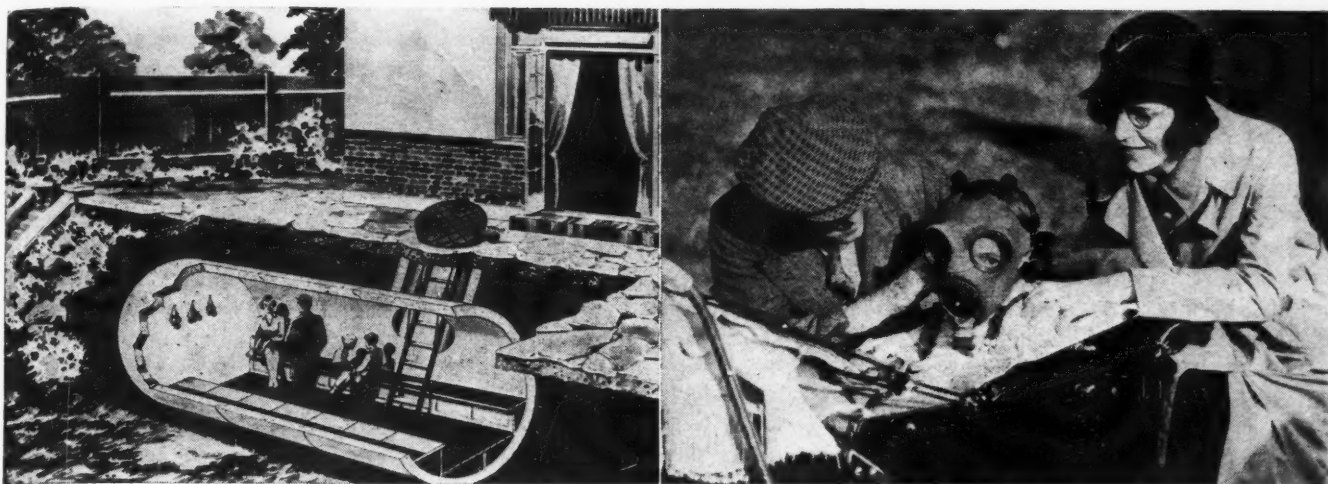
THERE is not much difference between the two concepts as they affect A. R. P. Public instruction is necessary in both instances and federal government funds are used largely to foot the bill whether in France, England or Germany. The difference is that democratic governments must ask people to do what totalitarian states know the people must do. Instead of drafting men for work, the democracies call for volunteers. "England expects every man will do his duty." A. R. P. have become a part of this duty.

Just what, then, are the leading European nations doing to prepare for possible attacks from the air?

In the first place they are all exchanging information with one another. This is sheer irony. It is perfectly legitimate for a member of the British Ministry of Air to visit Berlin and Paris to study German and French technique in A. R. P. He can ask questions about anti-gas chambers, chemicals to clean the streets with, fire-fighting equipment, or how to board up windows or black-out city lights. But according to the most polite etiquette now in vogue, it would be bad taste if he were to inquire into the size of General Goering's anti-aircraft guns, or the range of his pursuit planes. A fine distinction has been drawn between what the civilian population is supposed to be doing and what the regular military services are engaged in during an attack. Taking precautions against an air raid by a barrage of anti-aircraft artillery is an act of war. To be ready with gas masks or stretchers should bombs fall in London is an act of mercy.

It is all a grand piece of nonsense, but one which we can not avoid and still call ourselves civilized. Although A. R. P. are just as important to a nation's defense as anti-aircraft guns, pursuit planes, and balloon barrages, they are not strictly an offensive weapon. This fact makes it possible for Goering to show a representative of the British Air Ministry what Berliners will do if British bombing planes find it necessary to lay a few "eggs" across Unter Den Linden. Conversely, Nazi nabobs are free to visit London, learn what the Home Office will do if German bombers should raid Trafalgar Square again.

One form of A. R. P. which has received publicity besides canaries, is the balloon barrage, a system of nets suspended around strategic cities. Experimental work with the balloon barrage has been done by all European governments. Its deficiencies are ad-



One of the air raid precautions planned for Great Britain is this bomb-proof shelter designed for the individual family. At the right, Maidstone parents prepare their child for a mock air raid.

mitted. The public has been told that some bombers will always "get through." It is against these bombers that A. R. P. are being devised.

Most up-to-date in dealing with enemy bombers are the Germans. Other continental governments have plans devised or under way, not quite as dependable, perhaps. The people who ultimately will have a system as thorough as the Germans are the traditionally thorough-going British. The blue-prints of British A. R. P. were made into law under the Air Raid Precautions Act of December 1937.

WHILE the pattern of A.R.P. among the nations is somewhat identical, a brief survey of the British system might be the best explanation of how one nation's non-combatants are to act in the European conflagration of the near or far future.

To avoid hysteria, to keep people working, to maintain public services, these are primary objectives. To this end, enlightenment of the public through posters, demonstrations and pamphlets has been undertaken. People are told that one bomber can drop enough incendiary bombs to start ten times as many fires as occur in London in an ordinary day. It can drop mustard gas, of which a particle the size of a pin's head will cause a blister the size of a quarter. It can drop irritant, choking gases, dangerous to anyone without a mask though easily dispersed and unlikely to be used. But the bomber cannot cover whole areas with gas. It is impossible to choose its objectives with absolute accuracy. It cannot be sure of finding its way if it is flying over a blacked-out city.

An enemy bomber has also to cope

with defending aircraft guns, searchlights, balloon barrages and possibly unfavorable weather.

The public is told these things as an assurance. It is also told that there is no absolute immunity or bomb-proof shelter. A direct hit is a bull's eye in any language, and there is nothing much that can be done about it. But it is considered that ignorance and the feeling of helplessness are causes of panic. By giving the public instructions to follow, duties to carry out, preparations to be made, it is believed that fear can be conquered, panic avoided.

Take the example of Mr. Clifford Skiffington-Smythe, K. C. B., who lives on Bloomsbury Street. He hears the alarm given of approaching enemy bombers. What is he to do? Is he to run out into the street to make sure for himself that enemy bombers are in the air? No. He hurries to the closet, finds his gas mask, gets his kiddies downstairs in the front room and sits down. He tunes in on the radio. The announcer says that enemy bombers have destroyed the corner of Tower Bridge in the East End and have wrecked a number of offices and homes. Fires are reported breaking out from incendiary bombs around Oxford Street and hundreds of people are being rushed to hospitals. Still he does not move. His instructions are to remain indoors. He knows that men especially recruited for rescue work in time of air raids are handling the wounded, that special fire patrols are assisting the regular fire brigades, and that reserve police are rerouting traffic. He knows too, that he would be a nuisance on the street. Furthermore, he has family responsibilities.

His gas masks are ready, but since no specific word has come from the broadcasting station, he knows that the invaders are not using gas in this attack. Heavy explosives and incendiary bombs are being used. He cannot prevent his house from catching fire if an incendiary bomb drops across the street, but if he keeps calm, he can quickly call up the nearest fire patrol or station to inform them. Neither can he prevent his house from being blown up if a direct hit is made by a destructive bomb, but he can bolster up the main room against possible shock, or the results of a cave-in. This means that if the bomb should land in the front yard, it might blow the corner of the house in and shatter all the windows. It might even demolish part of the room where Skiffington-Smythe and family have taken refuge.

BUT if he has taken precautions the A. R. P. officer in his district has told him to take, he stands a good chance of coming through the ordeal with only a few scratches. This would mean bolstering the ceiling of the room with previously prepared 2x4s. He may even have a rafter or two running midway across the room as an aid to a vulnerable point around the door. He may have pushed the upright piano toward the window, jammed his wife's bridge table between the piano and the window.

The bridge table will not stop a fragment of steel from crashing into the room, but it will prevent shattered glass from spraying the room. There are any number of possibilities that could be worked out according to individual requirements and materials

at hand. Even papering the windows will act as a deterrent to breakage if a bomb should land a short distance up the street.

If the enemy should release a gas attack from the air, our disciplined member of the British Empire knows what to do in this instance as well. He has been taught how to turn his front room (or any other, perhaps the bath) into a virtual anti-gas chamber. He has cotton, gunny and paper materials on hand which can be stuffed into every crack and hole in the room. He has studied his pamphlet explaining anti-gas precautions. He applies his instructions, without too much haste, because he has been mentally prepared long in advance. There is nothing permanent in this makeshift gas chamber, but by donning his gas mask, remaining inside, our friend on Bloomsbury Street is just about as immune to the gas as if he were living in the Easter Islands. He sits down, listens to the radio announcements, waits until the raiders have disappeared, and the death fumes dispersed.

If he is at his office in the West End when the air raiders come, he hurries down stairs to a shelter in the basement or to a nearby shelter provided for office workers in his block. As soon as the "all clear" signal is given, he returns to his desk and in typically English fashion "carries on." He gives the wife a ring, finds that she is safe and need not worry about her. She had carried out the Government's instructions, too. No, the children were not frightened.

PERHAPS one of the children was in school. On hearing the raid warning in her district, the school teacher had marched Skiffington-Smythe, Jr., together with other members of his class, to the nearest anti-gas chamber or bomb shelter. There was no hysteria because the class had practiced this march many times. They had all been given gas masks. Each had learned to put his on without help from teacher. They were quite proud, in fact, of their troglodyte appearance.

There is much more to it than that. Thousands of volunteers have been carrying away dead and wounded from the affected areas. Squads of specially-dressed men in gas masks and rubber suitings have been decontaminating streets hit by mustard gas or other poisonous chemicals. Emergency repair gangs are already at work on

broken-down communication lines, street pavements that have been blown up, walls of buildings that are threatening to fall. "Hurry, hurry!" shouts the Government. "Keep on moving . . . this way, you . . ."

England is taking no chances. The British Exchequer will in this year and the three to follow spend on A. R. P. some 30,000,000 sterling, or approximately \$150,000,000. This is three-quarters of the bill. The other quarter will be taken up by local governments. Before the end of this year 50,000,000 gas masks will have been manufactured, more than one for every citizen in the United Kingdom. The masks will be held in readiness in central depots or passed around according to local provisions. What is most unique, they are all "free for nothin'."

Over each district or air raid zone will be a warden responsible for carrying out the various precautionary measures drawn up by the Home Office. It is estimated that the country will need at least 360,000 of these wardens. The warden is a sort of chief-of-anti-air-raid-police. Under him are his volunteer squads, sectional chiefs, and general office runners. Over the entire system the Home Office has appointed an Inspector-General, Air Raid Precautions Department, who travels about constantly encouraging and advising local officials on the best way to tackle the problem under the varying conditions obtaining throughout the Kingdom.

One of the major developments in England's A. R. P. scheme is a staff college, opened in London under the Home Office, for the training of wardens and higher officials. The college was organized under a whole-time senior official of the A. R. P. Department. An intensive three-weeks' training is given to each class of 25 to 30 officials. After "graduation" each member returns to his local government with expert advice, ready to work out individual problems on the spot.

Local authorities have already received information on the matters which they should include both in general A. R. P. schemes and in fire precautions schemes. They are required to provide for the instruction of the public, the enrollment and instruction of voluntary personnel for air-raid wardens, first-aid parties, first-aid posts, arrangements to deal with poisonous gases, a survey of ac-

commodations locally available which could be used, with adaptation where necessary, for public shelters, the organization of hospital service for casualties, the organization of emergency fire service, co-ordination with public utility undertakings, lighting restriction and warning systems, as well as the preparation of plans on which the Government could, if the emergency arose, give directions as to evacuation.

THE question of evacuation has puzzled many a British muddler. Authorities estimate that they can evacuate a million persons a day from London should the occasion arise. But the question has been asked: Why consider evacuation if balloon barrage can keep out most enemy aircraft? People in the city, with anti-gas precautions, medical aid and anti-aircraft guns, might be better off than those in the villages. After all, it would be rather complicated if the government were to hang wire nets around every village and farm. They might get into people's hair.

The organization of emergency fire squads is one of the most interesting phases of A. R. P. This entails a complete system of fire-fighting patrols, working on regular beats and not dependent upon the ordinary fire stations. They will be equipped with trailer pumps, with heavy machines in support for fighting the large fires and making use of water supplies of all kinds to supplement the water in the mains. Orders have been placed for 2,500 light trailer fire pumps coupled up to an engine and mounted on a chassis which can be towed by an ordinary motor-car. In addition, orders have been placed for 200 trailer machines of larger pumping capacity, for areas of heavier fire risk.

Speaking at the Constitutional Club in London last January on the subject of A. R. P., Sir Samuel Hoare, Home Secretary, felt confident that if "our morale was maintained in the early days of a national emergency and the public services continued to function, the result of any attack upon this country was a foregone conclusion. It would fail.

No doubt that is what General Goering would say too. From all the preparations being made in every country against air raids, it looks as though aviators might just as well pack up and go home. But, a few might get through.

Bank Assets Go Begging

In these uncertain times the banks are finding investment of their assets a difficult nut to crack

By VIRGINIA ERNST

ANYONE who follows discussions on financial pages of today's newspapers cannot help but find, at almost any time, some mention of the problem facing the banks of the country. This is the question of bank earning assets. Underlying all discussions of excess reserves, margin requirements, Government credit policies, interest rates and capital financing runs the question ever present in the banker's mind: what is the future of bank earning assets, and how can earnings be increased to a satisfactory level?

Since the World War, and especially since the depression, significant changes have taken place in the relationship between loans and investments. These changes have seriously affected the banks' earning power and are the cause of their present dilemma.

The chief change which should be noted is the decline in the volume of so-called self-liquidating commercial loans relative to total loans. This is not a recent trend; it has been evident ever since the war, which was one of the factors helping to bring about the change. Pressure for credit during the war, and especially in the years immediately following, caused many concerns that had been dependent on bank credit for their financing to increase their capital by sales of bonds and stocks, in order to be more independent of money-market conditions.

Many of these securities, of course, were purchased on margin with the aid of loans, and the resulting bank deposits eventually went into business. But since brokers' loans were frequently carried along and renewed, the net result was an increase in the proportion of bank earning assets tied up in semi-permanent or permanent capital as against self-liquidating short-term loans.

Thus, by 1929, as compared to 1923, although total loans still constituted approximately 70 per cent of total

This article won first prize in a contest recently conducted by the Women's Press Club of New York City as a contribution to the work of The National Federation of Press Women, Inc., for articles of not more than 3000 words by women writers on the work or activity of some phase of American finance. In addition to the cash prize, the award also included publication in *Current History*.

Miss Ernst, author of this essay, received the \$100 award at the annual meeting of the Women's Press Club of New York at the Hotel Pennsylvania. The entire ceremony was broadcast over the networks of the National Broadcasting Co. and the Columbia Broadcasting System.

loans and investments, the proportion of commercial loans to total loans had dropped from 70 per cent in 1923 to 53½ per cent, while loans based on securities had increased from 30 per cent to 46½ per cent. Since the beginning of the depression the shrinkage in commercial loans has progressed. In 1936 loans in member banks fell to 39 per cent of total loans and investments, and investments rose to 61 per cent. Of the total loans outstanding in 1936, 43½ per cent were commercial loans, while 56½ per cent were loans on securities, real estate, and other loans.

By 1937 this relationship had improved somewhat; total loans were 44 per cent of loans and investments combined, and commercial loans were 47 per cent of total loans. The proportions were still not up to the 1929 level, however, and were far from the level of 1923.

Along with the changes in proportions of commercial loans and other loans and investments has come a considerable decline in the yield of both classes of assets. The yield on loans has dropped from 6 per cent to 4 per cent, that on investments from approximately 5 per cent to 2½ per cent.

What is the significance of these trends, as far as the banker is con-

cerned? In order to evaluate them we must consider the factors which brought them about. The influence has been noted; concerns in need of working capital turned more and more to securities markets for funds. The fact is also frequently emphasized that increased efficiency and speed of transportation, developed after the war, created an era of hand-to-mouth buying and a reduction of inventories. This in turn caused a considerable reduction in the time and the volume of borrowing necessary for business to complete a given amount of manufacturing and mercantile operations. Moreover, the spread of chain-store systems reduced the necessity for borrowing by wholesale lines and by local retail trade.

These changes are illustrated by the fact that in 1923 the formal credit structure of the country was estimated at 100 billion dollars, of which 18 per cent was the aggregate commercial loans of the banks, while in 1929, of a credit structure of 155 billion dollars, only 12 per cent represented commercial bank loans. Since then the proportion has fallen even lower.

In other words, we have seen since the war an ever-increasing efficiency in the use of capital. Does this mean that the banks will eventually be forced to adjust their operations to a permanently lower level of commercial loans, and that their function as providers of short-term capital for business has been curtailed? Will investments continue to be the dominating factor in the earning assets of banks?

In discussing these questions it becomes necessary to consider an abnormal influence in the banking structure which did not become important until 1933, namely, government financing. This factor of deficit financing by the Government, with its important effects on bank deposits and reserves, brings a considerable, al-

though it is to be hoped ultimately temporary, alteration in the banking picture.

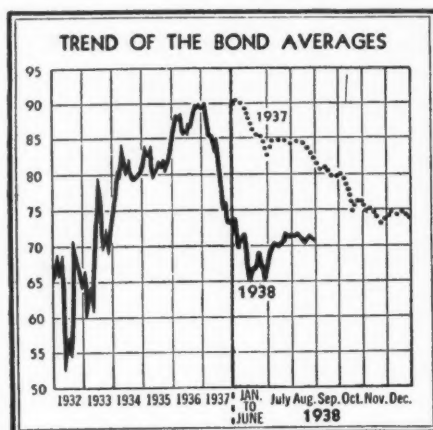
Beginning with 1930 the Government's finances each year have shown a deficit. This deficit has been met in large part by the banks' purchases of government securities—Treasury bills, notes and bonds. In June, 1932, the total gross debt of the United States Government was 19,487 million dollars; of this the banks held 6,446 million, or approximately a third. In June, 1937, the total gross debt was 37,279 million dollars, of which 17,358 million, or almost half, was held by the banks. These purchases of government securities were facilitated by the existence in the banks of large quantities of excess reserves, resulting in part from open-market operations of the Federal Reserve Banks and in part from the large inflow of gold from abroad. The purchase of government securities by the banks, and the inflow of gold, have piled up large totals of deposits, which, in June, 1937, for all banks in the country, amounted to 53.2 billion dollars, as against 37.9 billion in June, 1933.

The excess reserves resulting from open-market operations and inflow of gold have also increased considerably. Between August, 1936, and May, 1937, reserve requirements were increased on three different occasions until they were 100 per cent higher than the level effective before the first increase took place. In spite of these increases the banks continued to hold approximately 1.4 billion of excess reserves. This amount has been almost doubled as the result of a reduction of 13¼ per cent in the reserve requirements effective April 16, 1938. The excess reserves of the member banks as of June 1, 1938, were estimated to be approximately 2.6 billion dollars.

How to obtain an adequate return on these tremendous funds is one of the most perplexing problems facing the banker, especially so because of the uncertainties of Government policy. The banks, feeling the necessity for having highly liquid resources, turned to government securities as one of the safest investments. They are now heavily invested in these securities, the yield on which is artificially low, especially on the short term Treasury bills. The fear of a firming of interest rates to a more normal level has made the banks hesitate to invest in the longer-term, higher-yield bonds. They

have emphasized the liquidity and small danger of capital losses of the short-term issues as against the greater income to be derived from the longer-term securities.

This has proved very advantageous to the Government, but rather disastrous to bank earnings, which are thus seen to depend in large measure on Government policy with respect to money rates and Treasury financing. In other words, the credit structure



—Financial World.

is governed, not by business factors alone, but by the financial and political factor of government credit.

In the financial and credit policies of the Government we discern two divergent influences. From the point of view of federal financing it is essential that money remain easy, with low yields on various Treasury issues, and with large volumes of excess reserves in the banks. From the point of view of credit control and prevention of inflation, once business resumes its upward swing, a rise in interest rates and the elimination of excess reserves is indicated. It seems probable, however, that low-cost Government financing will continue to be the primary consideration, at least until the budget is balanced.

This factor of government financing, however, obscures the outlook for commercial bank earning assets; it becomes difficult to foresee the prospects for a return to more normal banking conditions when the usual business indicators in the money markets are overshadowed by the single circumstance of government deficit financing. On the one hand, it is to the interest of the Government to keep money rates low. If, on the other hand, various other factors combine, as happened in the first few months of 1937, to cause the beginning of a rise in interest

rates, then the banks must be on guard to save themselves from large capital losses as the prices of low-yield investments in which they have such a large stake tend to drop.

This element of uncertainty has made the banks favor the safer short-term, low-yield investments, at the expense of earnings, and has served to emphasize the importance of sound commercial loans as a source of bank earnings.

There are two or three types of policy which may be adopted by the banks in seeking a solution of this problem. In the opinion of many bankers the short-term commercial loan is by no means defunct, and short-term borrowing and lending will continue and revive. Changes in business methods, already outlined, which have affected banking practices, are considered abnormal developments of the post-war boom and depression periods which afford little basis for calculation. In addition it is pointed out that the new banking and credit controls set up in various pieces of legislation enacted since 1932 have so regulated the flow of credit that, once the question of government deficit financing is out of the way, business loans will be the chief outlet for bank funds.

According to this school of thought, if business recovers and the market continues the upswing evident before the recession set in in the fall of 1937, we may hope to see a declining supply of government issues as a result of a balanced budget and the necessity for investing the Social Security funds in government bonds. New corporate financing should increase, but slowly, owing to restrictions of the Securities Acts of 1933 and 1934, and much of it probably will be taken over privately by institutional investors. Bank holdings of government issues should decline as a result of the smaller supply and the demands of institutional investors. Thus loans could again become the chief outlet for bank funds, and could increase as business and trade increases, especially in view of the fact that the securities markets will be closed to many concerns as a source of funds because of increased costs resulting from the new regulations.

Those bankers who agree with this line of reasoning probably will endeavor to make whatever business loans are available, and will keep the rest of their funds largely in govern-

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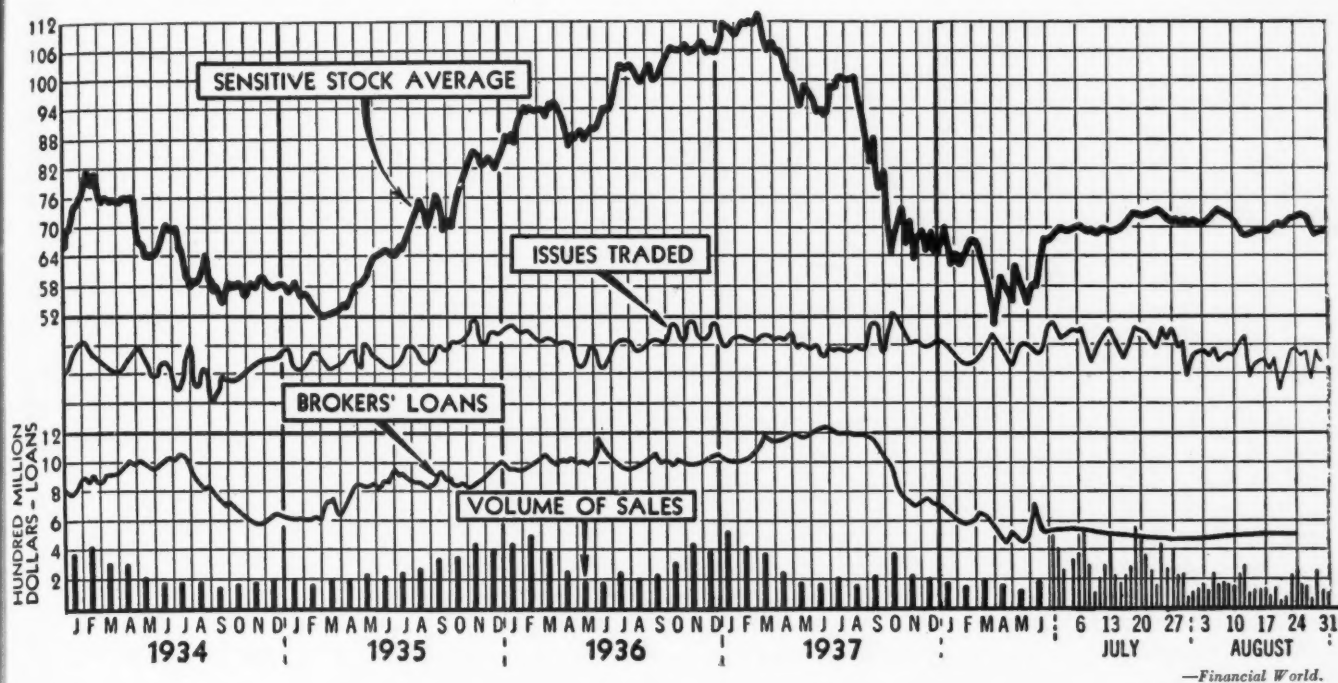
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—Financial World.

ment securities, pending a balanced budget, a firming of interest rates and a revival of business.

Another line of thought holds that the orthodox theory of commercial loans must be altered to some extent, and that we must accept a permanently smaller proportion of commercial loans to total loans and investments. Some even go so far as to question the validity of established theories as to the liquidity of the commercial loan; it is argued that it is possible to have, and that banks have experienced losses on commercial loans as much as on investments, and the superior organization of the bond market is held to provide more protection in case of the necessity for liquidation.

In accordance with these ideas, it is held that the banks could profitably turn their attention to other sources of income; such loans as the small or consumer loan have been undertaken with success by some banks. The question of liquidity is also considered to be overdone. Fear of another bank collapse such as we witnessed from 1931 to 1933 is thought unwarranted, particularly in view of the Government's own interest in ensuring a safe and orderly credit structure. And, while the banks must be liquid, there is neither safety nor prudence in maintaining a liquidity which may ruin them. Investments of higher yield, therefore, especially in the field of government securities, should be investigated thoroughly.

In support of the argument for expansion into other fields of loans and

investments, we are reminded that the Reserve Banks have, under the Banking Act of 1935, complete powers, which they have already exercised extensively, to make almost any good asset eligible for rediscount; that deposits are insured by the Federal Deposit Insurance Corporation, thus protecting the depositor; that the Reconstruction Finance Corporation is available for transferring resources between the strong and weak banks; and, finally, that the Government is prepared to convert almost any type of asset into dollars through its various agencies. A more aggressive lending policy, and an investment policy looking to higher yields, is advocated, therefore, as a means of increasing bank earnings.

The problem facing the banks with regard to earning assets is thus a complicated one. The additional circumstance of Government deficit financing, which occasions a close correlation between the credit structure and Government policies, is one over which the banks can exert little or no influence. It merely adds to the difficulty by preventing the working of the established credit controls, thus obscuring the future of normal bank operations.

Any of the policies outlined may be followed, but probably none of them will prove entirely satisfactory. Each bank must suit its policy to its own individual needs and circumstances. On the whole, however, a judicious combination of these ideas may

prove helpful. The banks, in their own self-interest, must exert every effort to make sound loans. Similarly, they must scrutinize investment policy carefully to ensure the best possible return. On both loans and investments it should be kept in mind that too much caution is as bad as too little caution.

In addition, in view of the influence of Government policies on banking conditions, it is the part of wisdom for bankers to study the money market carefully for all indications of trends in Government financial policies, and to follow closely all news from Washington affecting banks.

Finally, after making certain that their own management is efficient and constructive, the banks can render a great service to the country and themselves by doing everything possible to make clear to their depositors the importance of a balanced budget. Upon the balancing of the budget depends the efficacy of various credit controls established in the Banking Acts of 1933 and 1935. If the budget is not balanced, these controls cannot work, and the threat of serious inflation continues to exist. If the budget is balanced, the banks will be able to turn their attention from government financing to business financing, with the prospect of increased earnings as interest rates tend to rise. Credit controls already established may then be used to direct an orderly and much-needed expansion in business activity, with benefit to the country as a whole as well as to the banks.

Death is Big Business

Five related industries account for \$500,000,000 of the national income

GUARANTEED at least 1,500,000 bodies a year, the enterprises which bury the dead have become a \$500,000,000 industry enjoying a measure of stability not found in most businesses. The 35,000 undertakers, casket manufacturers, monument makers, cemetery proprietors and crematists serving the country are assured by the vital statistics charts that there will be an average of one death in each family every twelve years. They know, too, that each death will bring the industry an average of \$350, complete from embalming to interment and tombstone.

Yet the industry is not entirely without its ups and downs. There are periods of months or even years when people die at a slower rate than they do at others. During a depression, people are forced by their reduced incomes to live more moderate lives, and the death rate falls. And, strangely, prosperity has the opposite effect, enabling people to indulge their weaknesses and generally speed up the

tempo of life and the age at which they die. As a result, the undertaker and his colleagues have their depressions, too, although it hits them about two years after the rest of the country. It takes that long, particularly when depressions stretch out over a period of years, for saner, more moderate living to translate itself into a lower death rate.

Variance in death rates because of good or hard times, however, is not enough to make zigzags out of curves in the vital statistics tallies. Right now the death rate is 10.5 per thousand people as compared to 11.9 in 1929 and 12.1 in 1928. Present death rate has been about the same during the last six years. The funeral industry expects that this figure will not change much in the near future. Nor does it expect there will be much change in the total number of those dying each year; pointing out that the national population is leveling off at 130,000,000.

Out of the half-billion dollars col-

lected by death each year the undertakers account for \$70,000,000; casket manufacturers \$65,000,000; monument makers \$55,000,000; cemetery owners \$15,000,000; crematists \$1,500,000. In addition, there are smaller sums for clergymen, florists, and newspaper proprietors.

As in all callings, undertakers will tell you that the field is overcrowded, that there are today almost twice as many bidding for funerals as compared to thirty years ago, that an undertaker has only 53 funerals a month as against 71 during the "good old days." An undertaker who has been in the business for only ten years is considered a rank newcomer. For undertaking is more a way of life than it is a vocation; it is not at all uncommon to find undertaking establishments which have been run by the same family for three or even four generations.

THE undertaker is frequently among the biggest joiners in his community. He is usually present at church, fraternal, political and ordinary social affairs. This is especially true in small towns where he finds it necessary constantly to remind the townsfolk that he is a kind, genial person and to have people know him well enough so that there will be no awkwardness in approaching him in the event they have business to offer. In addition, some enterprising undertakers—or funeral directors as they prefer to be called—offer to conduct members of community organizations on group tours through their establishment. The organization arranging the tour receives a fixed sum—usually 25 or 50 cents—for each person participating in the tour. Another way of attracting attention and possible business is through the conventional methods of advertising—billboard posters, street cards, space in newspapers and telephone directories, and direct-mail cam-



World's largest tombs are still the pyramids, although many present-day monuments are far more attractive.



The William Rockefeller Mausoleum at Tarrytown, New York, was constructed at a cost of \$250,000.

paigns involving hundreds of thousands of letters.

Funeral directors are both retailers and professional men. They are retailers because they sell caskets, grave vaults, burial robes and occasionally cemetery plots and cinerary urns. They are professional men because the services they supply are of a personal and confidential nature and because they practice embalming in the interests of public health.

INCREASED competition is the main reason why some undertakers have attempted to sell more expensive funerals than most families could afford. Social service workers and various writers have harped on this theme for many years, portraying funeral directors as incorrigible mercenaries trafficking in the profits of death. They have charged the industry with levying costs upwards of \$600 on poor families where a \$200 funeral would have been adequate. They have told, too, of unfair persuasion used by the industry, as in the case of the undertaker who is said to have told a young girl: "Surely you couldn't have loved your mother very much if you are not willing to spend another \$75 on a casket that is certain to resist earth acids for a much longer time than the one you have selected."

As in every business, there are chisellers among morticians, but the ratio is smaller, if anything, for two reasons: (1) an undertaker's reputation can only be built up over a period of years but can be seriously damaged by a single "shady" funeral; (2) an undertaker is more or less rooted to a community and cannot, like most other retailers, move on to another town as soon as he is uncovered in any questionable deal.

Actually, about three out of five funerals which cost more than the pocketbook of a family should allow are the faults of customers, who confuse pride with extravagance. Morticians usually collect on the installment plan and would rather sell a \$300 funeral—with assurance that they will be paid in full—than a \$600 affair when there are no visible indications that they will ever be paid more than half.

If you are an average American, living in a medium-sized town, you will spend a total of from \$300 to \$400 for all burial services, depending on whether you live in the city or country, the smaller the town the smaller the cost. About \$200 will go to one of our 22,000 undertakers, \$100 to one of our 8,500 cemetery owners, \$50 to one of our 4,000 memorial dealers. If you choose cremation, about \$80 more will go to one of 150 crematories for incineration and an urn.

The most important professional service performed by an undertaker is embalming. Since most Americans object to immediate burial after death, embalming of the body to preserve it for a time is the general custom in this country. Embalmers also strive to give the body a life-like appearance through the use of cosmetics. They can even restore mutilated parts to something approximating their natural state.

AS THE embalmers' services involve problems of sanitation and health every state requires that they be licensed. Embalming chemicals are poisonous and might prove fatal to a user not properly trained nor scrupulously careful. In nearly every state applicants for embalmers' licenses must pass examinations conducted and rated by boards of physicians and embalmers. In these examinations applicants draw upon knowledge acquired as an embalmers' apprentices and from courses at embalming colleges.

There are two dozen embalming schools, all privately owned, except for the course given at the University of Minnesota. Every school requires a high school diploma for admittance; and a year or two of college work consisting principally of pre-medical training. The courses vary from one to two years. The curriculum generally includes chemistry, anatomy, physiology, bacteriology, pathology, sanitary

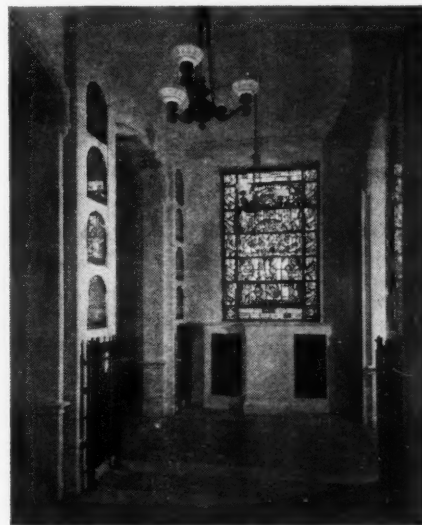
science, funeral management and mortuary law.

Most families bowed in grief dislike being bothered by the dozens of little details that every burial entails, and are only too glad to pass them off to the funeral director who frequently makes arrangements with the cemetery for interment; engages the clergyman and vocalists for the burial service; buys flowers; places obituary notices in the newspapers; obtains burial permits, and attends to other red tape.

The funeral director will arrange for the holding of comittal services in the church or home of the deceased; but he is likely to urge that a chapel in his "funeral home" be used for the purpose. The gloomy "undertaking parlor" of a generation ago has vanished with the livery stable. Many morticians today are buying old mansions close to residential districts, converting them into funeral establishments, in an effort to retain homelike atmosphere. Others are building cheery new buildings that look like private homes. Rooms are equipped with pews to give a chapel-like appearance, and small organs installed.

The chances are that the undertaker will list some nominal sum like \$15 or \$25 for embalming, when, as a matter of fact, the cost of the materials and time expended may come to several times that amount. How does he make up the difference? Out of profits from retailing caskets and other burial merchandise.

Any reasonable funeral director will admit that a sounder method would be to list actual cost of services and merchandise he furnishes plus a fair al-



The Ferncliff Columbarium in New York City.

lowance for overhead and profit. But for generations the American tradition has been to make the casket "bear the cost of the funeral;" for a lone undertaker to do otherwise, he will argue, would be foolish and perhaps suicidal. After all, when the average person thinks of a funeral, he thinks first of the casket. Some funeral directors who attract business through emphasis on price even advertise that caskets displayed in their showrooms "are plainly marked and the price covers the cost of the complete funeral service."

For this reason, the difference between the amount that the undertaker pays the casket manufacturer and the price he lists on his bill is very great. For example, a casket which retails at \$540 may cost the funeral director only \$230.

The casket manufacturer, you will see at once from a glance around any fair-sized showrooms, strives to please the taste and purse of every purchaser. There are caskets of wood—oak, chestnut, redwood, maple, birch, walnut, and mahogany. There are caskets of metal—iron, copper and bronze. All are made in a multitude of styles and finishes. There are even stream-lined caskets for the man who insists upon being up-to-the-minute.

IN PRICES there is a wide range, too. A casket of chestnut wood, covered with embossed colored cotton cloth, can be bought for as little as \$47. A cast bronze sarcophagus, designed for permanent display in a mausoleum, may cost as high as \$13,500. For between \$100 and \$200, which is what most persons pay, a good variety of simple caskets, cloth covered and plain, is available.

In choosing a casket, it is well to remember that it may be a beautiful piece of furniture, but it will be seen only a few hours during the funeral services, then put into the ground. Many caskets in the lower price ranges are sufficiently serviceable and beautiful.

No casket manufacturer can tell with much assurance how long a casket, regardless of the material of which it is made, will last after it is placed in the earth. Some soils contain acids and other elements which eat at a casket within a few years. However, usefulness of the casket as an enclosure for the corpse is never completely destroyed. Metal and concrete grave

vaults for preserving caskets have come into general use, varying in price from \$35 to \$130 and even higher.

The casket manufacturing business is very decentralized: there are about 700 houses in all parts of the country; only two of these operate nationally. Six of the firms also deal in burial clothing — specially made dresses, business and dress suits which have replaced the old-fashioned shroud. Burial clothes are tailored along slightly different lines than clothing for the living, for they are worn in a reclining rather than an erect position. Burial dresses for women or suits for men range from \$4 to about \$40.

THE KINDS of ultimate resting places which men choose are as varied as their whims. Following the tradition of the sea, earthly remains of sailors are often thrown, amid simple rites, into the ocean. The pharaohs of ancient Egypt were ceremoniously interred in pyramids laboriously built by thousands of slaves. Medieval kings and bishops were placed in sarcophagi down gloomy aisles of cathedrals. Most American presidents have been buried in showy tombs in their hometown graveyards.

Such splendid ends are not for the ordinary run of Americans. For them the rule is the well-tended plot in one of the efficiently-operated cemeteries that have sprung up on the fringe of every city since the concentration of population made the old-fashioned churchyard burying ground impracticable.

Because you will want to be certain that the cemetery in which you bury your loved ones is as attractive half a century from now as it is today, you will do well to be exceedingly cautious before buying a plot. You should satisfy yourself first as to the integrity of the men operating the cemetery; also, that they are using the soundest principles of cemetery operation.

If you live in one of the small cities, most numerous in the Middle West, which own a well-run cemetery on the theory that a burying ground is a public utility, your problem is easily solved. Mutual corporations, including religious and fraternal groups, own some of the most attractive cemeteries in the country. If you live in a town or a city, the chances are that you will choose a cemetery on the

outskirts which is operated by a private corporation.

Launching a cemetery is a complicated business proposition. Considerable amount of capital is required, for a large and accessible tract of land must be bought and developed. Only about two-thirds of the land purchased can be sold for burial plots. The rest must be dedicated to roads, lakes, buildings and other purposes which produce no revenue. Land bought for as little as \$3 an acre, according to a conservative estimate, may cost \$2000 an acre for improvement. Return on this investment is apt to be slow, for the average family does not buy a burial plot until they face an emergency.

Day-to-day operation of a cemetery resembles that of a small city. A fair-sized cemetery must have a tree department, park department, police department, and a financial department. The latter division invests the cemetery's funds to provide an income for maintenance of the property. Most cemeteries now provide "perpetual care"—the cutting of grass and general maintenance—in the price of all lots. There are a number of ways in which the management can soundly finance this. A common one is to invest 10 to 25 per cent of all funds received from the sale of lots in safe bonds at 3 per cent, and credit income thus derived to keeping the plots in good order.

Prices of plots in a cemetery are based on location as well as size. Individual burial plots selling as low as \$25 are on sale in cheaper cemeteries in many parts of the country; but in the larger cities \$40 is now an absolute minimum. Usual price for individual plots in better-grade urban cemeteries ranges from \$100 to \$1000; family plots, \$200 to \$10,000. Charges for opening the grave and recording the interment in the cemetery's rolls run to about \$25.

MOST cemetery owners solicit customers through discreet newspaper advertisements and personal acquaintanceships. In recent years bustling business men have entered the field, using all the ballyhoo that twentieth century advertising has contrived. They spend thousands of dollars on promotion by radio, billboards, newspapers and lavish brochures. Free organ recitals are amplified across the acres of the memorial park Sunday

afternoons. Door-to-door salesmen canvass well-to-do neighborhoods.

During the bonanza Twenties former real estate and security salesmen began to sense the potentialities of the cemetery as a field for speculation and quick profits, with results sometimes disastrous to buyers. They induced thousands to buy more cemetery ground than was possibly necessary, by suggesting that they would be able to resell surplus footage in time at enormous profits. Actually, sale of plots in practically every cemetery in the country is generally at a price lower than the original purchase. In most large cities brokers resell plots in reputable cemeteries at prices from 25 to 50 per cent of the initial cost.

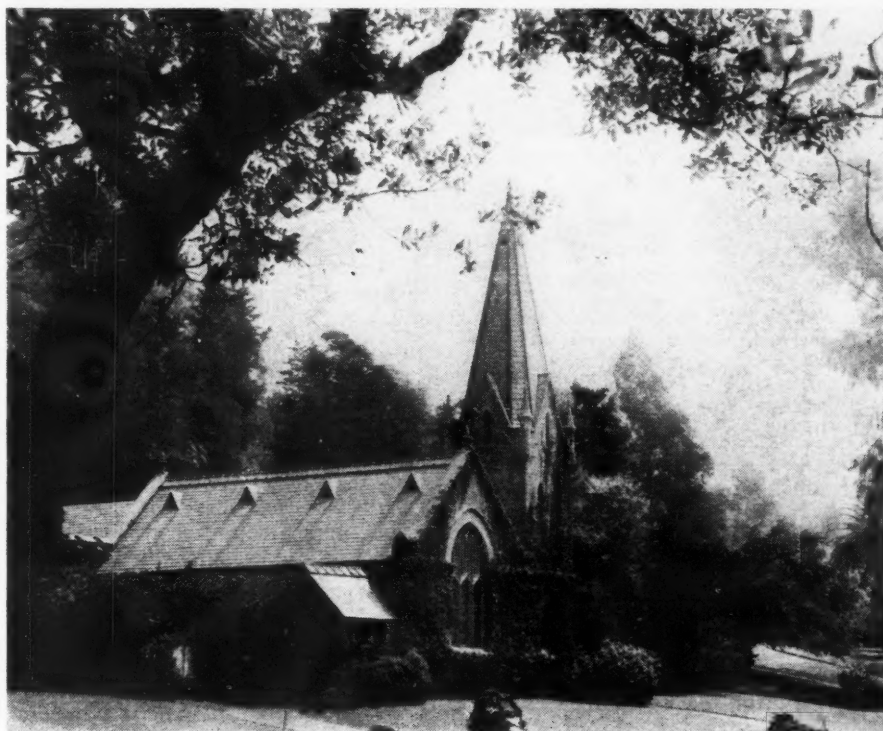
MOST notorious of these speculative cemetery operations were in Cleveland. A promoter who had successfully launched memorial parks in Tulsa and Oklahoma City, Oklahoma, bought 256 acres of undeveloped land on the road running from Cleveland to Akron. This he proceeded to transform into Crown Hill Memorial Park, an attractive cemetery of the no-monument type. Soon three corporations—Crown Hill Development Trust and the First Refunding Company of Cleveland and the First Commonwealth Trustees of Chicago—were in the field selling plots in Crown Hill. They stressed to prospective customers not the attractions of the cemetery as a final resting place, but rather the enormous profits to be made by reselling the plots later. The First Commonwealth Trustees and the First Refunding Company added a new twist to the sales promotion. They hunted up persons all over the Middle West who owned depreciated bonds and other negotiable paper and offered to swap plots in Crown Hill for them.

By the time the operation was investigated by a Grand Jury in 1936, it was found that plots worth about \$2,500,000 in selling price had been foisted on a gullible public. Crown Hill was later taken over by a competing memorial park promoter who combined it with two other memorial parks into the Metropolitan Memorial Parks. But his sales methods were none too savory either, and he soon ran afoul the Federal Securities and Exchange Commission. Today lawyers are trying to salvage pieces from the wreckage.

For centuries man has attempted to conquer eternity through his monuments. The Taj Mahal at Agra, India, built by the Shah Jehan in honor of his favorite wife is widely regarded as the most beautiful monument ever erected. Egypt's pyramids remain the largest tombs ever built. Grant's Tomb in New York City and Lenin's in Moscow are among the best-known of contemporary mausoleums.

Most Americans, until half a century ago, marked graves with slate or limestone slabs, usually modest in size, simple of design. During the Vic-

over the defunct cemetery at Glendale, California, which had inspired his invention, and in the last twenty years has developed it into the present day 200-acre Forest Lawn Memorial Park. Forest Lawn looks more like a country estate or a golf course than a cemetery; graves are marked only by small bronze plates—costing about \$50 apiece—set flush with the ground. Shrubs and trees and a vast amount of flowers are planted profusely throughout the park. Marble statuary, much of it reproductions of masterpieces in Europe, grace the edges of



The romantic, ivy clad Little Church of the Flowers, of Forest Lawn Memorial Park, Glendale, California, was inspired by the quaint, old-world village church of Stoke-Poges, in Buckinghamshire, England, where the poet Thomas Gray wrote his immortal "Elegy."

torian era marble and granite, principally from 17 states and notably from Vermont and Georgia, came into general use. In keeping with the taste of the time, the well-to-do chose tombstones and mausoleums that were usually eyesores because of their pretentiousness. The dying doves, the little lambs and the flying angels which abound in old cemeteries are too familiar to require comment.

Back in 1917 the gloomy, spooky atmosphere of one "rock-pile cemetery" so depressed one man that it led him to conceive of a revolutionary type of burying ground. He was Hubert Eaton, Los Angeles mining engineer and banker; his invention was a cemetery without tombstones. He took

pools and deck the corridors of the huge mausoleum. Memorials in the form of statuary and stained glass are permitted if approved by the cemetery's care committee.

Children are urged to romp and play in Forest Lawn, lovers young and old stroll, as they would in a beautiful park. In two chapels, "The Little Church of the Flowers," a replica of the church at Stoke Poges, England, and "The Wee Kirk o' the Heather," a replica of Annie Laurie's church at Glencairn in Dumfriesshire, Scotland, baptismal and wedding services as well as funerals are held. In Forest Lawn are buried such Hollywood celebrities as Marie Dressler, Lon Chaney, Florenz Ziegfeld and Jean Harlow.

Today more than 600 of these new type burial grounds dot the country, and in the past decade some \$400,000,000 has been spent for their space. Unfortunately for the reputation of the no-monument cemetery movement, many of the speculative cemeteries which have had such an unsavory record have been of this type.

IN THE face of the competition of the no-monument cemetery, the tombstone manufacturers and the owners of the 8,000 monument cemeteries in America have not been asleep. The Monument Extension Commission, an organization supported by the leading granite and marble manufacturers, has given full publicity to the speculative no-monument cemetery fiascos. The rolling country club appearance of the no-monument park, the monument people argue, lacks the beauty of richly carved granite and marble. Without a monument, they say, a grave lacks individuality.

Public taste in monuments has improved tremendously during the past several decades. Compare the gloomy tomb in which Abraham Lincoln is buried at Springfield, Illinois, with the beautiful memorial dedicated to him in 1909 at Washington, D. C. Finger through the files of the *Monumental News* and observe the tremendous advances that have been made in the design of memorials of all sizes during the past fifteen years. Notice the great difference between newer memorials and older ones in any long-established cemetery.

Today cemetery proprietors set limits as to the proportion of the area of the plot which may be covered by a monument. They critically exclude monuments they feel do not contribute aesthetically to the cemetery.

Years ago the local stone-cutter would shape the granite or marble to suit his or your notions of art. Today stones are cut at the finishing plants of the 125 principal quarries, following designs of skilled artists. Your local monument dealer now adds only the inscription. Markers of first grade granite and marble are available for as little as \$35. Monuments of more pretentious proportions cost considerably more.

Young men with architectural training are now entering the field of monument design. This year, for the second time, the Barre Granite Association and the American Federation of Arts

are conducting a contest for creative and significant design in cemetery memorials in the \$35 to \$500 class. For an artist the monument has peculiar interest, for it is a problem in pure design. An effort is being made by some memorial manufacturers to revive the old-fashioned epitaph which made the tombstone of yore symbolic of the personality of the individual whom it memorialized. A book of ready-made epitaphs has been published by the Vermont Marble Company.

Well-to-do persons who possess a highly developed sense of family pride frequently erect mausoleums as a last gathering place for their clan. No high grade urban cemetery would approve a mausoleum costing much less than \$6000 plus adequate endowment for maintenance; the sky is the limit in price. The William Rockefeller Mausoleum at Tarrytown, New York, designed by Willis Bosworth and constructed at a cost of \$250,000 is one of the most expensive and notable mausoleums in a private cemetery in the country.

Many persons of moderate means shudder at the idea of burial in the earth, and hanker for a crypt in a mausoleum. To meet this demand, public mausoleums have been constructed in many cities. The best of these are built as part of an established cemetery and are conducted along the same business methods as the cemetery.

The public mausoleum, like the no-monument cemetery, has frequently become the tool of the professional promoter. In dozens of communities, salesmen fortified with handsome brochures and glib talk have reaped a rich harvest. The record shows that in some cities the mausoleums were never completed, for construction stopped as soon as the promoters had snared every prospect, and then hastily moved on. In some cities the mausoleums were completed, but with such shoddy materials that within a very few years the building was in a dilapidated state. Even in cases where construction had been sound enough, there was often no adequately administered "perpetual care" fund to pay for the repairs that inevitably must be made from time to time, even on a well constructed building.

It is the contention of the Memorial Extension Commission, which has studied the problem closely, that no

crypt in a public mausoleum can be a safe investment unless it sells for at least \$700-\$1000. Furthermore, the prospective purchaser should make certain that at least \$300 for each crypt is actually deposited in a "perpetual care" fund and administered by a reputable bank.

A small but rapidly increasing number of persons have been turning to cremation in recent years. In the United States there are about 150 crematories, most of them on the West Coast, with a fair sprinkling through the Northeast and the Middle West. These handled about 40,000 cremations last year.

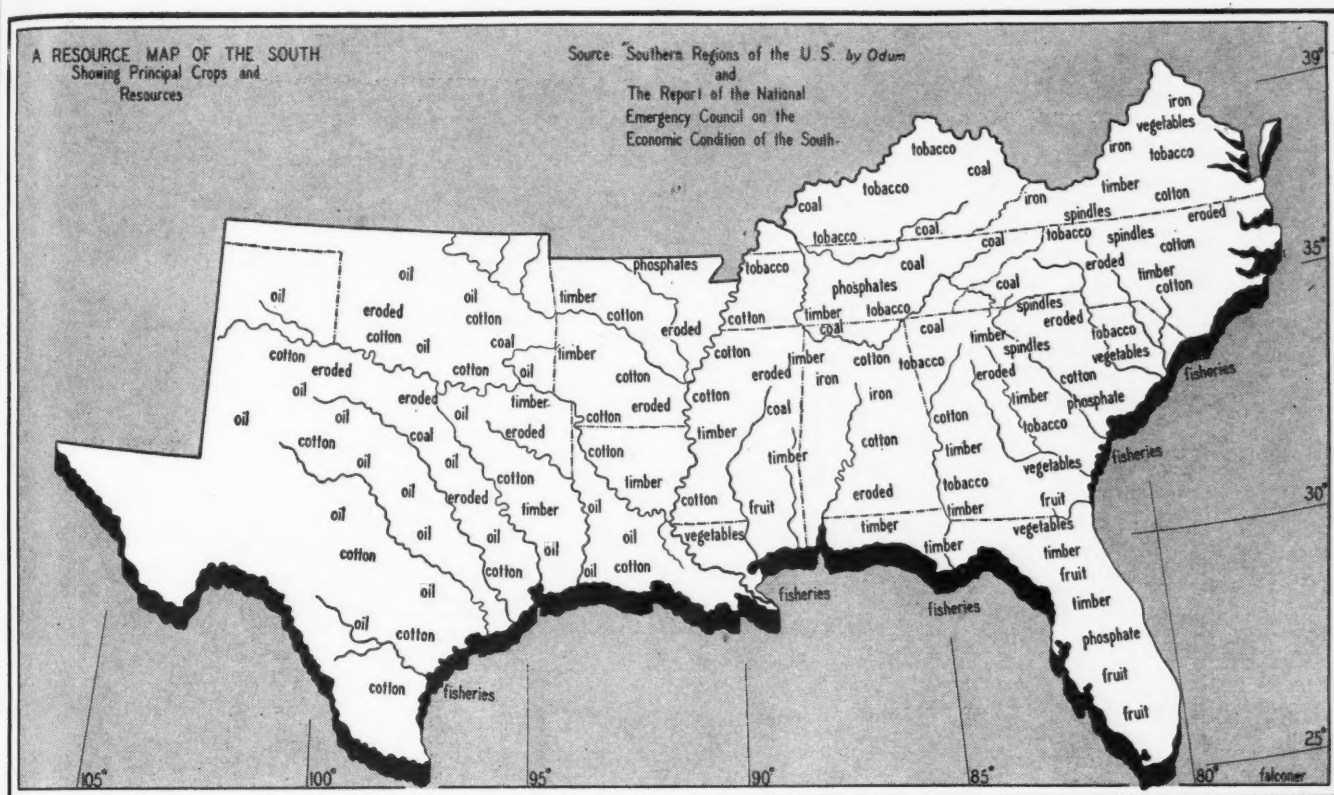
When a family chooses cremation, the corpse is first embalmed, and the usual committal service for the dead is read, usually in an attractive chapel adjoining the crematory. Body and casket are moved into a white-tiled oven. Here a 3800 degree heat, induced by electricity or oil, reduces the casket and corpse to ashes in the space of an hour and a half. A day later, when the oven has cooled, the gray lime ash that is the only temporal remains of the dead is collected, pulverized and placed in a small copper, pewter or silver urn. It is then taken to its final resting place, sometimes a niche in a columbarium at the crematory or cemetery, sometimes in a cemetery grave. Occasionally, someone takes the urn home to place on his mantelpiece!

MANY crematories, to popularize the custom, are offering cremation and use of the chapel for as little as \$45. The price of an urn is about \$35 upward, a niche in a columbarium with "perpetual care," \$20 upward.

Cremation is disapproved on religious grounds by the Roman Catholic Church and the Jewish Orthodox Church. Most Protestant churches make no objection, and the Unitarian Church even commends the practice in its service book.

After the service is over and the temporal remains have been placed in their final resting place, the bills come in. The lawyer, too, will come to read the will. If the estate is large enough, there will be money to pay the undertaker, the cemetery owner and the monument maker. If the estate is large enough, the government will call for taxes. For nothing is certain, the old saw has it, except death and taxes.

ECONOMIC PROBLEM NO. 1



UNDER a blazing summer sun a huge crowd of Georgians gathered at the little cotton town of Barnesville on August 12 to hear President Roosevelt dedicate a new United States Rural Electrification project. "It is my conviction," the President told them, "that the South presents right now the nation's No. 1 economic problem—the nation's problem, not merely the South's. One month ago I invited a group of distinguished, broadminded Southerners to meet in Washington to discuss the economic problems of the South. Yesterday I received the report and recommendations based upon their advice. The report is concerned primarily not with what the South has, but what the South needs."

The following day the report, 15,000 words long, was made public. It had been in preparation two months by the National Emergency Council, authorized four and a half years ago to coordinate various New Deal agencies.

Lowell Mellett, executive director for the council, gathered an advisory committee of 22 "Southern citizens known for their interest in the region and their familiarity with its problems"—educators, publishers, labor leaders, politicians and business men.

(Extracts from the report are printed in *The Government*, page 49. The illustrations reproduced here illustrate certain phases of the report.)

"The South," according to the report, "is a huge crescent embracing 552,000,000 acres in 13 states from Virginia on the east to Texas on the west. It has widely varying topographical conditions—vast prairies, wooded plains, fertile valleys and the highest mountains in the eastern United States."

No other section offers such diversity of soil and cli-

mate. Besides the crops shown on the map, it possesses 40 per cent of the nation's forests. Approximately 30 per cent of the land is still in forests. Though it has a wealth of grasslands, the South lags in the production of livestock. In Southern soil are buried more than 300 different minerals. With less than two per cent of it seams so far tapped, the Southwest contains a fifth of the nation's soft coal. Nearly two-thirds of the nation's crude oil and over two-thirds of its natural gas comes from the South.

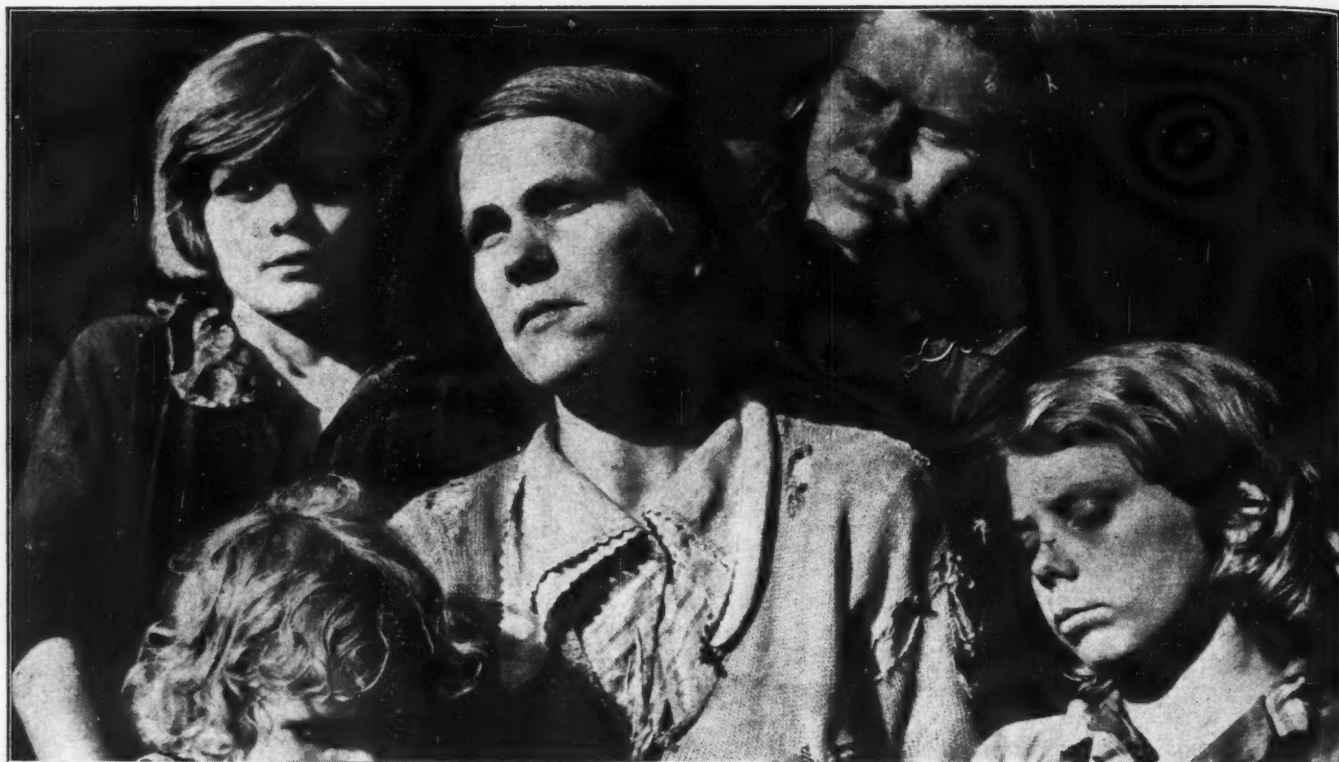
In the 13 Southern states live 36,000,000 people. While the population is descended from practically every country in the world, a larger percentage derives from early American stock than that of any region of the United States. Ninety-seven and eight-tenths per cent was native born, according to the last census; 71 per cent of it is white, 29 per cent colored.

The birth rate in the South exceeds that of any other region. There is, however, a continuous stream of people leaving the South to work in other parts of the country, greatly in excess of the corresponding migration to the South. This migration, the report declares, has taken from the region many of its ablest peoples.

In their search for jobs the productive middle-age groups leave the South in the greatest numbers, tending to make it a land of the very old and the very young. There are fewer adult workers and more dependants per capita than in any other section.

The richest Southern state has a smaller per capita income than the poorest state elsewhere. In 1937 the average Southern income was \$314; the rest of the country, \$604.

Although nature gave the South more than a third of



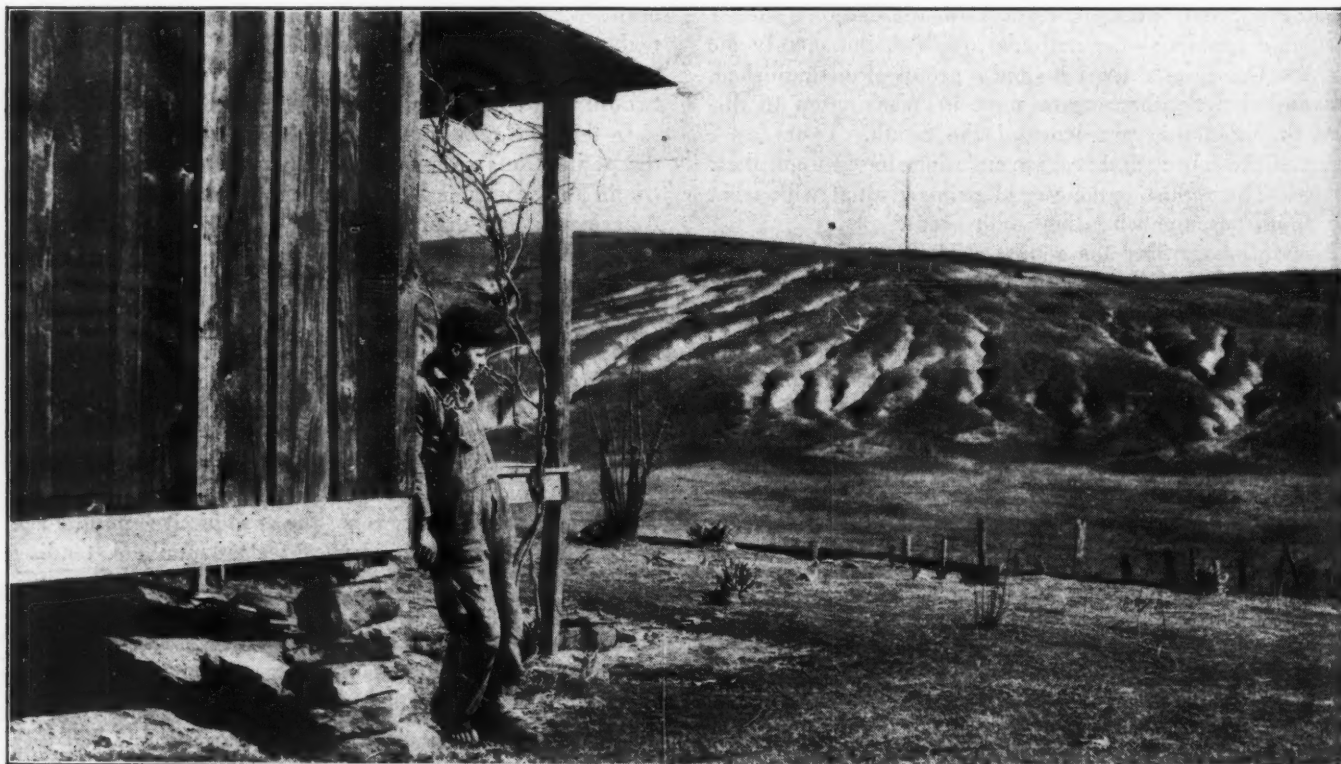
—Margaret Bourke White, from "You Have Seen Their Faces."

A family of tenant farmers at Dahlonaga, Georgia

the nation's good farming acreage, great expanses of it have been turned into desert. Sixty-one per cent of all the nation's land badly damaged by erosion is in the South. To work this worn-out land the South pays three-fifths of the nation's fertilizer bill and receives only one-fifth of the national income. Causes of erosion in the South, according to the report, include overuse of land on the extremely small farms cultivated by tenant farmers, in-

availability to most Southern farmers of training in better agricultural methods, little effort at systematic reforestation and, in the Southwest, overgrazing.

The type of slums most usual in Southern towns consists of antiquated, poorly built rental quarters for working people. The rows of wooden houses without modern improvements, without sanitary facilities, and often without running water are usually found in congested areas



Eroded land on a tenant's farm in Walker County, Alabama

—Farm Security Administration

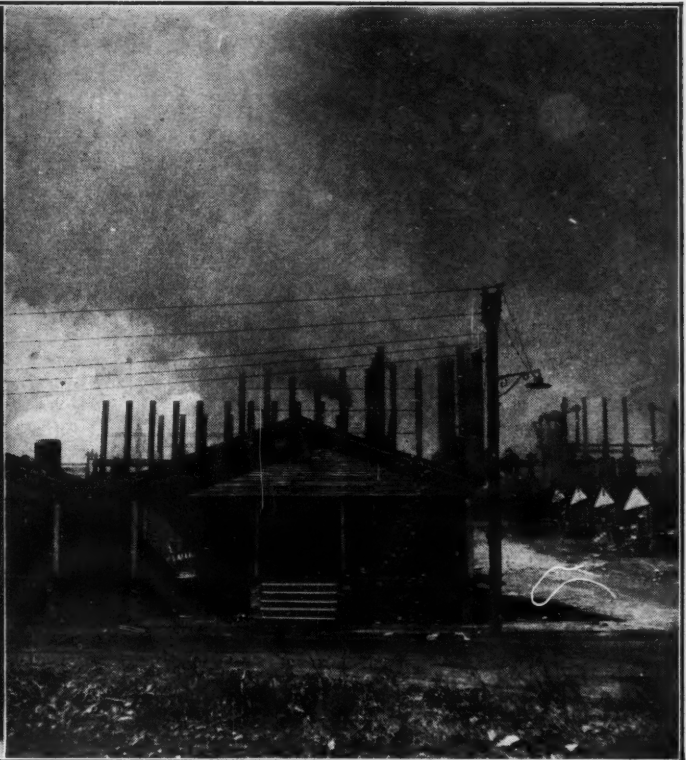


—Textile World

In a Southern cotton textile mill

and in the least desirable locations. Often they are next to mines, or mills where the tenants work. Usually they are far removed from playgrounds and other recreation areas. "The Southern slum," as the report puts it, "has often been built to be a slum. It is simply a convenient barracks for a supply of cheap labor."

Housing conditions in rural sections likewise are poor. "That there are 2,500,000 below-standard houses would



—Farm Security Administration

Workers' homes in the shadow of a steel mill.

be a conservative estimate. Four million Southern families should be re-housed. This is one-half of all the families in the South."

Since the Civil War a great many Northern mills have been shifted to the South, and today that region occupies a dominating position in the manufacture of cotton textiles. It is logical that the South's outstanding accomplishment in industry should be this processing.



Children learning their ABC's in an Alabama school

—Farm Security Administration



Wilson Dam, nucleus of the TVA, operates nine generators of 261,400 horsepower

Earnings on the investment in Southern mills, as indicated by figures for 1933-34, are considerably higher than those in the North. Wages, as reported from 1919 to 1933, are considerably less.

Child labor is more common in the South than in any other section of the nation, and several Southern states are among those which have the greatest proportion of their women in gainful work.

The South is educating one-third of the nation's children on one-sixth of the nation's school income. In Arkansas in 1933-34, the average teacher's salary was \$465, as compared with \$2361 in New York State. Total endowments of the colleges and universities of the South are less than the combined endowments of Yale and Harvard. Illiteracy in the South was 8.8 per cent in 1930, higher than in any other region. Owing to the emigration of adult workers, the proportion of productive workers to school children is lower than elsewhere in the country.

Privately and publicly owned hydroelectric plants now give the South an installed capacity of 4,000,000 horsepower. Yet it is estimated that the potential output of feasible power sites in the South would be five times the hydroelectric power actually produced in 1937.

In its vast water resources the South has an unopened treasure chest of potentialities for transportation, power, fish and game, health and recreation.

For generations, according to the report, the nation's

traditional high tariff policy has forced the South to sell in an unprotected world market and to buy its manufactured goods at prices supported by high tariffs.

The present discriminatory interterritorial freight rates work a hardship on the South, particularly in regard to its shipments into the important Northeastern territory. The Northeast contains 51 per cent of the nation's population and is the greatest consuming area. The Southeastern manufacturer who sends goods across the boundary is at a relative disadvantage of approximately 39 per cent in the charges which he has to pay, as compared with the rates for similar shipments entirely within the Eastern rate territory. The Southwestern manufacturer, with a 75 per cent relative disadvantage, is even worse off.

Large absentee ownership of the South's natural resources and industry makes it possible for residents elsewhere to influence greatly the manner in which the South is developed and to subordinate that development to other interests outside the South.

In the South, there were two reactions to the report, according to Raymond Clapper, astute Washington correspondent. "The first reaction was that of the politician, like Senator Pat Harrison of Mississippi, who muttered something about carpetbaggers and the South being able to run its own affairs. The second reaction was to set civic groups and individuals in the South to thinking about ways of improving conditions."

CURRENT HISTORY IN THE WORLD OF FINE ARTS

V. F. CALVERTON

Cultural Barometer

THE TEST of a project should be in the work it produces, not in the people who produce it. The Dies Committee in Washington has spent a great deal of time attempting to prove that the WPA art projects (among other things) are dominated by communists, and consequently are a menace to the nation. What the committee has failed to do, is to consider the work itself.

It is the work that counts, regardless of who creates it. If the committee could prove that the work undertaken and accomplished was bad, inferior, insignificant as art, it would have something to prove its case: namely, that WPA art projects are culturally subversive and represent an appalling waste of money. But no reputable critic in painting, sculpture, music, literature, or the theatre, has been found to denounce the projects as incompetent, inept, or ineffective.

As a matter of fact, the nation has gained more from these projects than from any others the government has attempted. The gain has been spiritual and not economic; and in a country as dedicated to the economic motivation as America has been for centuries, it is difficult to "sell" the spiritual ideal. Nevertheless, the WPA art projects have been more effective than any other medium in teaching people the value of art as an intimate, daily reality, not an isolated thing confined to art galleries or music halls, but something one lives by and with and needs in order to live happily. At one time our public buildings were barren of all embellishment, resembling in sedate sterility the old New England meeting-houses and tabernacles, or else were marred by ornamentation and filigree of a vulgar and forbidding variety. It was not only the buildings that suffered from inadequacy and disfiguration, but also the public which came to view them as representative of what was supposed to be art.

Today that public is being educated into a better knowledge and appreci-

ation of art by the superior designs, decorations, and mural schemata which have been introduced by WPA artists in the beautification of countless buildings and structures. There have been arguments as to the nature of the themes, and conflicts as to the portrayal of specific figures, but in few cases did the arguments relate to the artistic quality of the productions themselves.

Music For The Masses

In music, the WPA record is less creative in an original sense but no less excellent in an interpretative way. This country has always been barren of composers. We lack musical creativity, just as England does. We have had our composers, but they have been few and relatively insignificant. Our best have been contemporary: Gershwin, Berlin, Ellington, Harris, Copland. It is doubtful if any country of significance has produced so few composers and so little good music.

The result has been that the American public is uninitiated and unsophisticated in music. In every city of over three hundred thousand, there are ten to twenty-five thousand people who are devotees of music; the rest are relatively indifferent. In Europe the vast majority of the population is not only interested in music but creates it in its folk songs and choruses. Our folk-music is undeveloped and uninspired. Only the Negroes and the cowboys have contributed toward its creation.

This failure of American music to win the hearts of the people has been due in part to the fact that it has cost so much to attend concerts and operas. Music has been financially confined to the classes and not to the masses. Thanks to the WPA Music Project (and also to the radio) that is no longer the case. Today, at long last, the American populace is being made music-conscious.

There have been more than 85,000,000 admissions to music concerts and

programs put on by the Federal Music Project since 1935. What they listened to is most interesting and revealing: 39,219 programs by symphonic and concert orchestras; 24,414 band programs; 369 operas and operettas. Dance bands gave 25,163 programs; chamber music ensembles gave 5,961 concerts, and the Soloists' Project performed upon 775 occasions.

The Writers Project

An excellent article by Charles Glicksberg in the *South Atlantic Quarterly* surveys in detail what the Writers' Project has achieved. Writers have been sustained, Mr. Glicksberg, a well-known scholar and literary critic, points out, "by the knowledge that the creative spirit has found a home in America." This mobilization of indigent writers — and what great writers, for that matter, have not been indigent most of their lives, especially the earlier part? — has led to the production of a series of works, mainly of a scholarly and informative character, which are of extraordinary interest and value. The aim of the Project, taken as a whole, has been to produce an *American Guide*, a series of books about the various states and cities of the nation. This will provide a rapid-running encyclopedia of backgrounds and facts requisite to an understanding of the spirit of the country and its founders. To date the most interesting books and pamphlets produced by the project are: *Washington: City and Capital*; *New Hampshire, a Guide to the Granite State*; *Massachusetts*; *The Swedes and Finns in New Jersey*; *Delaware*; *Mississippi*; *Connecticut*; *The Italians of New York*. Similar studies are in preparation for almost every state in the union, for ever so many national groups and groupings, and upon other themes invaluable as source data for everyone interested in Americana and American History, past and present.

The virtue of these studies is to be discovered not only in their historical

value but in the objectivity of the materials assembled. Writers are people of varied and intense opinions, and to find a project at which they could work in harmony was difficult. Mr. Henry Alsberg, head of the Writers' Project, deserves credit for having conceived of the *American Guide* idea, which provided an excellent solution for that difficulty and at the same time supplied the nation with studies of inestimable historical value. Practically every section has been scoured for the materials; folk-lore has been revived, local legends have been rediscovered,

The Crisis in Spain, which far outplayed the *March of Time* in its field in England. Mr. Harding also staged a radio production of the opera *Francois Villon*, the words and music of which were especially written by Ezra Pound. Mr. Bridson, who is more of a writer than a director, has projected a most amazing series of radio poems and plays, almost all of which have won the ardent support of the British radio public. The first full-length verse program, especially written for the radio, was written by Mr. Bridson in February, 1936. It was entitled



Mural by William Palmer, of the WPA Federal Art Project, designed for the Patients' Room of the Queens County General Hospital, New York.

faded and forgotten customs and traditions have been brought to life again.

A New Type of Cultural Achievement

In England a new type of cultural diversion and inspiration has been introduced recently in the form of radio drama. The person who has been most conspicuous in the development of radio drama is Mr. D. G. Bridson, a well-known English poet and formerly regular critic on the *New English Weekly*. Under his auspices, and also under the auspices of a number of others, feature programs have been introduced which have extended, in cultural significance, the whole field of radio communication. Mr. E. A. Harding, an important director in the British Broadcasting Company, was instrumental, for instance, in projecting a series of dynamic drama reviews of

The March of the '45. Following that, Mr. Bridson did a series of other radio chronicles and dramas. In February, 1937, Dr. Desmond MacMahon delivered over the radio a play called *Steel*. In addition to these original plays, many classic dramas have been produced and also such contemporary works as T. S. Eliot's *Murder in the Cathedral*, Compton Mackenzie's and Eric Maschwitz' *Carnival*, and Hans Anderson's *The Nightingale*, adapted by Francis Dillon. Besides, many of the plays of older authors have been projected over the radio — plays by Lord Dunsany, Somerset Maugham, John Galsworthy, Walter de la Mare, Bernard Shaw. To be sure, included among the above have been the productions of Sophocles, Aeschylus, Euripides, and, too, Shakespeare, Ben Johnson and Dryden.

More than that, Mr. Bridson has in-

troduced over the British radio a new program entitled *The Radio-Dramatic Approach to History*. Mr. Bridson is striving to convert the radio into a stage in its own right. He believes that plays will have a new lease of life over the radio. He realizes that the radio audience is not a theatre audience. In his own words he declares that "the radio audience is an audience of millions where the theatre audience is an audience of hundreds," and in so far as the presentation of history is concerned, he is convinced that the "radio is a long way ahead of the stage." His own *March of the '45*, a radio program dealing with the invasion of England by the Jacobites under Prince Charles Edward, was so successful that the English radio public has become deeply interested ever since in the projection of more and more historical plays. Mr. Bridson has also been a pioneer in the development of poetry programs over the radio — not poetry of the Eddie Guest variety, but poetry of deep significance. Mr. Bridson is convinced that certain types of poetry lend themselves more readily to radio recitation than others. Langland, for instance, he finds a much better poet for radio purposes than Chaucer. Langland was poet of the masses, Chaucer a poet of the classes, and he considers that difference very important indeed. Langland, he insists, was more concerned with having his poetry spoken by word of mouth; Chaucer, on the other hand, was more desirous of having his poetry read. It is the Langland type of poet that Mr. Bridson prefers and it is his hope that many poets of our own day will follow in the Langland tradition which would mean that they would be good radio poets as well as good book poets.

American radio companies have not been uninterested in this type of program. As a matter of fact, they have undertaken a number of programs which have ventured into the historico-dramatic field, but to date they have failed to achieve the distinction of the British programs. The British go about the matter more scientifically. As Mr. Bridson points out, they do not just take plays and then give them a radio-performance. Their preference is to have plays especially written for the radio, with all the peculiarities and specificities of the radio taken into consideration by the authors, for it is in that way only they believe it may be possible eventually to give birth to a radio-Shakespeare.

Canadian Censors The Worst

Since Americans always complain about the harassing ferocities of our cinema censors, it is interesting to note that Canadian censors are worse. In Canada "cuts" were necessary recently, in 127 British films; and of 2,107 films from all sources, only 17.5 per cent escaped unscathed. In fact, surprising as it may seem, the Canadian censors report that "the best British films (that is, dealing with British themes), are American made." British-made films, incidentally, have to be "cut" more than American-made ones.

The London News Chronicle, commenting on this fact, relates to an interesting episode which all cinema censors might do well to bear in mind before they make their excisions:

"Marie Lloyd was once summoned before the Birmingham Watch Committee to sing songs of which complaint had been made. She sang two with a perfectly blank face, her hands modestly clasped behind her back.

"What is all this fuss about?" asked the committee. "These songs are fit for a drawing room."

"Whereupon Marie Lloyd succumbed to temptation and sang the Watch Committee 'Annie Laurie' and 'In the Gloaming' with such nods, becks and wreathed smiles that the unfortunate men rushed blushing from the room."

English Versus The American Stage

Last year when in England I devoted considerable space in this department to discussing the inferiority of the English stage to the American. Now the English theatrical world has taken up the same question. Some of their comments are most illuminating.

Mr. Leslie Henson, well-known in the English theatrical world, states that "American playwrighting has more virility than ours, but that is because there is more natural vividness in the American scene. New York audiences are keener because they have nothing to do there except go to the play or the cinema. Thus they get completely show-minded." (Which, it is obvious, is a typical British comment on the American scene, revealing all that vast amplitude of ignorance evident in British conceptions of America!).

Mr. Eric Maschwitz, distinguished

playwright-manager who has done so much for the London stage, confesses that "the American director is more of a 'real' person (than the London director). His tempo is faster and his life more raw than ours. American audiences keep actresses on their toes. They do not sentimentalize endlessly over their actresses merely because they are old, as we are apt to do."

Mr. John Gielgud, one of the best actors of our time, who is as well known in America as in England, declares that American "audiences are more vital. America has four or five

regimented look is beginning to creep into the eyes of the populace and an element of hesitancy and fear steals into their walk of talk.

It is in the field of learning however, that the Nazi Juggernaut moves with the most disastrous expedition. *The Manchester Guardian* publishes a cable from its Vienna correspondent reporting the following achievements in that direction:

"An extensive 'purge' of school textbooks and the contents of public libraries has been ordered in Vienna. The following are among



Marble mosaic over the entrance to the Hall of Natural Science of the San Francisco State Teachers' College. Funds from the WPA Federal Art Project made the mosaic possible.

leading women, such as Helen Hayes, Katharine Cornell, and Lynn Fontanne, whom we should find difficult to match here (in England)."

The English themselves are becoming aware of the decay of their own stage and the rise and success of the American. It is doubtful whether any country is producing plays as fertile in wit and humor, as profoundly sincere and challenging, and as uncompromisingly progressive in outlook, as those staged in America today.

Viennese Kultur

Since Hitler's seizure of Vienna, the city's cultural life has been subject to prompt Nazification. The leisurely gait and spiritual independence of the city are gone. Already the process of mechanization has set in, and, as several observers have pointed out, a

the categories of works which are to be banned:

Books praising English, French, and American culture, as compared with German;

Books supporting pacifism and the League of Nations idea;

Atheistic works and books 'over-emphasizing religion'—for example, works by Christian Scientists and Adventists;

Works by Jews and their supporters;

Psychoanalytic books and the works of Dr. Montessori, the woman educationist."

If German censors are as acute as they are determined, it would be interesting to discover how many books will be left in the schools and the libraries after the "purge" is completed.

The Religious Horizon

REV. WILLIAM B. SHARP

SATURDAY and Sunday, October 1 and 2, have been designated as "Loyalty Days" by the National Committee for Religion and Welfare Recovery. "Every member present or accounted for" is the slogan, the objective being to fill all seats in all houses of worship. The invitation reads: "Every citizen is cordially invited and every member is confidently expected in a house of worship" on Loyalty Days. Associated with the committee in this drive are other church, educational, and philanthropic bodies, cooperating in a program centering in the National Stewardship Convention to be held at the Stevens Hotel in Chicago, November 1, 2 and 3.

The National Committee is composed of more than 500 Catholic, Jewish and Protestant leaders, including bishops, pastors, priests, rabbis, college presidents and other educators, officials of church and benevolent boards and prominent laymen. The purpose is to meet the "present-day sweep of secularism, materialism, and racial and religious prejudice by bringing the minds and hearts of men back to the consciousness of the fatherhood of God, the brotherhood of man, the sanctions of religion, the services of worship and more adequate financial support of our religious, educational and character-building institutions."

Lutherans in Russia and China

The last Lutheran Church in Moscow was closed on August 7, according to an Associated Press dispatch appearing in the N. Y. *Herald Tribune* on the following day:

"Members of the Church of Peter and Paul thought a final service would be permitted this morning, but when the worshipers arrived they found the doors locked.

"While they waited in the courtyard, government trucks arrived to cart away the altar and other fixtures, presumably to a museum.

"The church has been carrying on without a pastor for eighteen months. The congregation, nevertheless, assembled faithfully each Sunday."

This is but one more indication that the reports received from Russia through other channels are true—the church is still being persecuted there.

The Lutheran Church in China is called the Chung Hwa Sin Hwei. Translated literally this means the "Chinese Justification - by - Faith Church." There are nineteen Lutheran missionary societies working in China. Five of these in 1920 cooperated to form the Lutheran Church of China. This Church has a theological seminary at Shekow, near Hankow, twenty-five years old this year; a Lutheran college at Rachwalum, Yiyang, Hunan; a Lutheran publishing house at Hankow, which publishes hymnals, school books, a paper, "Sin a Bao," and other literature. There is a Lutheran Board of Education.

"Exaggerated Nationalism"

On August 21 Pope Pius XI, addressing a group of missionary students at their summer quarters near Castel Gandolfo, denied that "all cause of conflict or dissension between the State and the Church has been eliminated," as had been claimed by Signor Gayda, principal spokesman for the Fascist philosophy in the secular press. The Pope said that the greatest evil which menaces the missionary work of the Church is "exaggerated nationalism," as laid down in the dogma of Mussolini himself. "Nothing outside or above the State, everything within the State, and everything for the State."

The whole issue arose because the Pope criticized the new "racism" of the Fascists, in answer to which Signor Gayda stated that "... the racial problem belongs only to the policy of the nation and State. As such it is the exclusive concern of the Fascist government. The carrying out of a national policy in any form—which is a prerogative of a sovereign State doubly felt by the Fascist regime—remains outside all Church control or criticism."

In denouncing this "exaggerated nationalism" the Pope called it a "real curse, because it is the real cause of divisions, contrasts and al-

most of war." Here is evidence that what may seem to be agreement between the two is actually discord between Church and State in Italy. As Michael Williams said in *The Commonweal*, September 2: "It may prove to be the turning point in the internal struggle. The fight is not won or lost in a day or a year or a century or an epoch; it has gone on since the beginning of the Church, and probably will go on until the end of time."

Not Pro-Fascist

The Roman Catholic Church is definitely and irrevocably opposed to Communism, as evidenced by the Papal Encyclical "Divini Redemptoris," and many other statements and pronouncements. But it cannot be said with justice that the Church of Rome is "pro-Fascist." The Church has not explicitly named or condemned Fascism (or its cognate Nazism). The Church has condemned the worship of nation and race—hitherto a monopoly of Nazi Germany, but now a part of Fascist Italian philosophy; it has resisted State absolutism; and it has condemned atheism and paganism (or neo-paganism), of which Fascism cannot plead innocent. "Anti-Communist" does not necessarily mean "pro-Fascist."

Mormon Outlook

The following paragraph by Richard L. Evans, managing editor of the *Improvement Era*, is indicative of the present attitude of the Mormons:

"No longer a Church essentially of the Salt Lake Valley, . . . we are now a Church with a world view, and of such must be much of our thinking and planning. As we have extended our geographical boundaries so must we extend the horizons of our minds—in our literature, in our periodicals, in our programming, in our general instructions, in our organizations, in our teaching, and in our attitudes and outlook. Then, with the limits of mind removed, the limits of physical expansion may likewise be removed, and the Church can move more freely toward the vision of its leaders and the destiny ordained."

THE GOVERNMENT

Summary of activities and work of the various Federal Government departments and agencies

CURRENT HISTORY publishes this department out of a need for a compact, correlated monthly review of the work of the Federal Government. Included here are treaties, documents, reports, releases, speeches and surveys, com-

paratively few of which have been published in the public press in detailed form. Only material of general importance and significance is included in this section. For purposes of conciseness, the material will be excerpted.

Reports on The South

Following are excerpts from the report on economic conditions in the South, prepared for the President by the National Emergency Council. An advisory committee of 22 Southern citizens, known for their familiarity with region's problems, assisted in the preparation of the report.

THE 1937 census estimates showed that the thirteen Southern States had more than thirty-six million persons. A larger percentage derives from early American stock than that of any other region; 98.7 per cent was native born; 71 per cent white and 29 per cent colored. The birth rate exceeds that of any other region, and the excess of births over deaths makes the South the most fertile source for replenishing the population of the United States.

Transportation facilities are for the most part excellent. No other region covers such a diversity of climate and soil. These soils permit the growing of a wide variety of products: cotton, tobacco, grains, fruits, melons, vegetables, potatoes, hay, nuts, sugar cane and hemp. The South leads the world in production of cotton and tobacco. With 40 per cent of the nation's forests, approximately 30 per cent of the land is still in forests.

It lags in the production of livestock, despite its wealth of grasslands.

With less than 2 per cent of its seams tapped, the Southeast contains a fifth of the nation's soft coal. The region contains 13 per cent of the country's undeveloped hydroelectric power.

Nearly two-thirds of the nation's crude oil and over two-thirds of our natural gas comes from Southern fields. In 1935 the South furnished about half of the country's marble output. Florida and Tennessee produce 97 per cent of all our phosphates, and Texas and Louisiana supply over 99 per cent of our sulphur. Commercial fisheries flourish on both the Atlantic and Gulf Coasts.

Soil

With less than a third of the area, the South contains more than a third of the nation's good farming acreage. It has two-thirds of all the land receiving a 40-inch annual rainfall or better. It has nearly half of the land on which crops can grow for six months without danger of frost.

This heritage has been sadly exploited. Sixty-one per cent of all the nation's land badly damaged by erosion is in the Southern States.

Southeastern farms are the smallest in the nation, nearly one-fourth of them smaller than twenty acres. A farmer with so little land is forced to plant every foot of it in cash crops; he cannot spare an acre for soil-restoring crops or pasture.

The South is losing more than \$300,000,000 worth of fertile topsoil through erosion every year. This is not merely a loss of income—it is a loss of irreplaceable capital.

Water

Water resources are abundant. Many communities need better systems of public water supply. Insufficient provision has been made for

waste disposal to keep the streams pure.

In much of the South the combination of heavy rainfall, relatively large stream flow, and favorable topography has made possible great developments of water power. It is estimated that the potential output of feasible undeveloped power sites would be five times the hydroelectric power actually produced in 1937.

Population

Migration has taken away from the South many of its ablest people. The search for wider opportunities drains away people from every walk of life. The productive middle-age groups leave in greatest numbers, tending to make the South a land of the very old and the very young.

Because of the decrease in tillable land in the older Southern States east of Texas, the farm acreage was actually less in 1930 than in 1860, though the rural population had nearly doubled. In 1930 there were nearly twice as many Southern farms less than 20 acres in size as in 1880. These figures indicate serious maladjustment between the people and the land, and a consequent misuse of resources. Farm unemployment constitutes a large proportion of the unemployment problem.

Increasing competition for jobs has also upset the balance of employment between white and Negro. Unemployment among white people has caused them to seek jobs traditionally filled only by Negroes. The field for the employment of Negroes has consequently been further constricted, causing greater migration.

Private and Public Income

The richest state in the South ranks lower in per capita income than the poorest state outside. In 1937 the average income in the South was \$314; in the rest of the country it was \$604.

Industrial wages are the lowest in the United States. A recent survey disclosed that the average annual wage in industry was only \$865, while in the remaining States it averaged \$1,219.

Local political subdivisions have had difficulty in providing schools and other public services. In 1935 the assessed value of taxable property averaged only \$463 per person, while in Northeastern States it amounted to \$1,370.

Although the South has 28 per cent of the country's population, its federal income-tax collections in 1934 were less than 12 per cent of the national total.

So much of the profit from Southern industries goes to outside financiers, in the form of dividends and interest, that state income taxes would produce a meager yield. Under these circumstances the South has piled its tax burden on the backs of those least able to pay. In every Southern State but one, 59 per cent of the revenue is raised by sales taxes. In the Northeast not a single State gets more than 44 per cent from this source, most of them far less.

Education

In no one of the Southern States was the average salary of teachers equal to the average of the nation. Overcrowding of schools, particularly in rural areas, has lowered the standards of education, and the short school terms of rural schools further reduce their effectiveness. Higher education has lagged far behind the rest of the nation.

Illiteracy was higher in 1930 in the Southern States than in any other region, totaling 8.8 per cent.

Health

The low-income South is a belt of sickness, misery and unnecessary death. Several years ago United States Public Health Service studies revealed a much higher ratio of syphilis among Negroes than among whites, but showed further that this higher ratio was due to the greater poverty and lower living conditions of the Ne-

groes. Malaria, which infects annually more than 2,000,000 people, is estimated to have reduced the industrial output of the South one-third.

The South is deficient in hospitals and clinics, as well as in health workers. Many counties have no facilities at all. Reports of a large life insurance company shows that more people here than elsewhere die without medical aid.

Housing

The type of slum most usual in Southern towns consists of antiquated, poorly built rental quarters for working people, rows of wooden houses without any modern improvements, without proper sanitary facilities, and often without running water. Often they are next to mills or mines where the tenants work, or on low swampy land subject to floods and no good for anything else. The Southern slum has often been built to be a slum.

Lack of sanitary toilets and sewer systems is characteristic not only of the great majority of farm and rural homes, but of a large proportion of homes in small towns and a substantial number of small cities. In extensive rural districts there are not only no indoor flush toilets, but no outdoor privies even of the most primitive sort. It is in these regions that hookworm infection and anemia have flourished as a result of soil pollution.

There is also extensive overcrowding in town areas. In one-eighth of the dwellings there are more than one and one-half persons per room.

Labor

Industrial labor in the South is unskilled and therefore subject to the competition of recurring migrations from the farm—people who have lost in the gamble of one-crop farming. On the other hand, the industrial workers, with low wages and long hours, are constantly tempted to return to the farm for another try.

Much of the South's increase in industrial activity has been brought by the removal of cotton goods manufacturing plants to the Southeast from higher wage areas in New England. This backbone of Southern industry ranks nationally as one of the low-wage manufacturing industries. In the South it pays even lower wages than elsewhere.

Low living standards force other members of workers' families to seek

employment to make ends meet. These additions to the labor market tend further to depress wages.

As long as the agricultural worker cannot gain assurance of a continuing existence on the farm, he remains a threat to the job, the wages and the working conditions of the industrial worker.

Women and Children

Child labor is more common than in any other section, and several Southern States are among those which have the largest proportion of their women in gainful work.

Moreover, women and children work under fewer legal safeguards than elsewhere. The South has two of the four States that have enacted no laws whatever to fix maximum hours for women workers. Only one Southern State has established an eight-hour day for women in any industry. Only four have applied a week as short as forty-eight hours for women in any industry. Only two has enacted a law providing a minimum wage for women.

Ownership and Use of Land

The farming South depends on cotton and tobacco for two-thirds of its cash income. More than half of its farmers depend on cotton alone. They are one-crop farmers, subjected to risks which would appall the business man. All their eggs are in one basket—a basket which often is upset by the weather, the boll weevil, or the cotton market.

The cotton market is a sheer gamble. On this gamble nearly 2,000,000 Southern families stake their year's work and everything they own.

More than half of the South's farmers till land they do not own. Whites and Negroes suffer alike. Of 1,831,000 tenant families, about 66 per cent are white. Approximately half the sharecroppers are white.

The pattern of Southern tenancy was set at the end of the war between the states, which left thousands of former slave owners with plenty of land but no capital or labor to work it. Hundreds of thousands of former slaves and impoverished whites were willing to work but had no land. The result was the crop-sharing system.

Diversification has been difficult, because landlord and tenant have no

been able to find a workable method of financing, producing and sharing the return from such crops as garden truck, pigs and dairy products.

While it is growing more cotton and tobacco than it can use or sell profitably, the South grows less than one-fifth of the things it uses; four-fifths of all it eats and wears is purchased.

Credit

Although the region contains 28 per cent of the country's population, in July, 1937, its banks held less than 11 per cent of deposits, or only \$150 per capita as compared with \$471 per capita for the rest of the United States. Savings deposits were less than 6 per cent of the national total.

The scarcity of local credit sources result in high interest rates and lays a heavy burden both on individuals and local governments. The average interest paid on Southern state, county and municipal bonds is 4.4 per cent, while the rest of the country pays only 3.98.

The South has to look beyond its boundaries for the financing of virtually all of its large industries and many of its smaller ones. Southern tenant farmers must depend for credit on their landlords or the "furnish merchant" who supplies seed, food and fertilizer. For security the landlord or merchant takes a lien on the entire crop.

Use of Natural Resources

Every large share of the natural resources of the South is owned in other regions.

For mining its mineral wealth the South frequently receives nothing but the low wages of unskilled and semi-skilled labor. The wages for manufacturing into finished products often go to workers in other areas, and the profits likewise.

Industry

With respect to the manufacture of cotton textiles, the South has come to a dominating position. It is natural that its most outstanding accomplishment in industry should be the processing of its greatest agricultural crop.

Earnings on the investment in the Southern mills, are considerably higher than those in the North, but the wages paid are considerably less.

A major problem is that of freight

rate differentials. The important Northeastern territory containing 51 per cent of the nation's population, is the greatest consuming area. The Southeastern manufacturer sending goods into this region is at a disadvantage of 39 per cent in the charges he has to pay, as compared with the rates for similar shipments entirely within the Eastern rate territory.

An equally serious deterrent to economic development has been the high tariff. The South has been forced for



—Memphis Commercial Appeal

Couldn't Be Your Left Foot, Could It, Uncle?

generations to sell agricultural products in an unprotected world market and to buy its manufactured goods at prices supported by high tariffs.

Purchasing Power

The South is the nation's greatest untapped market and the market in which American business can expand most easily. The people need to buy and they would buy—if they had the money.

Southern people need food. There is a deficiency in the consumption of the necessary foods even among employed, wage-earning families in the cities of the South. Southern people need clothes. One-half of the Southern people, and an even larger per cent of rural Southerners, need new houses. They need household equipment.

Northern producers and distributors are losing profits and Northern workers are losing work because the South cannot afford to buy their goods.

Report on British Industrial Relations

Excerpts from the report on industrial relations in Great Britain sub-

mitted by a commission appointed by the President, consisting of W. Ellison Chalmers, William H. Davis, Marian Dickerman, Lloyd K. Garrison, Henry I. Harriman, Charles R. Hook, Anna Marie Rosenberg, Gerard Swope and Robert J. Watt:

Labor union development in Great Britain has been gradual over a long period of time. It began at least as far back as the repeal of the combination laws in 1825. At the end of 1936 there were in existence in Great Britain and Ireland 1,041 trade unions with a stated membership of 5,308,000 representing roughly one-third of the workers estimated as eligible for union membership.

The employed associations and the unions have long since become an integral part of a collective bargaining system in which they respect one another and mutually attribute real value to the agreements and to the relations that have been built up between them. In Great Britain the expression "collective agreement" does not mean an agreement between a single employer and his workers, or even an agreement between a single employer and a union. It means an agreement negotiated collectively by representatives of a group or association of employers, and representatives of a union or a group or association of unions.

Great diversity appears in the collective agreements; in the provisions for wages, hours, and working conditions, and in the procedure for the settlement of disputes. Many of the agreements with employers associations are national in scope. Other agreements, though less frequently, are between unions and district, rather than national, associations of employers. In case of non-federated employers, individual agreements may be negotiated with the unions; when they are negotiated they generally conform to the national agreements. The extent to which standards set in the national agreements are observed by non-federated employers depends on the extent of union organization in the particular trade or locality.

Almost invariably there are provisions specifying the steps to be taken before strike or lockouts may occur. When a local dispute as to the application or interpretation of an agreement, or a grievance arises which cannot be settled locally . . . (they) are referred to employer and union representatives who are not themselves

directly concerned with the controversy, and who can bring to bear upon it an informed and relatively detached judgment. The objective is to settle locally as many disputes as possible. Local strikes called without the approval of the national union and without completing the settlement procedure laid down in the agreements, have occurred from time to time . . . but rarely were they serious either in number or in extent and the national unions invariably sought and usually obtained a prompt resumption of work.

The general principle that there shall be no negotiations while the workers are out on unauthorized strikes is insisted upon and generally maintained. The idea of compulsory statutory arbitration of industrial disputes is opposed. Both sides believe that provision for compulsory arbitration at the end weakens the utility of preliminary conferences, since the parties tend to rely on the final arbitration.

Several principles have been laid down for avoiding organizational disputes, the most important of which are:

(1) The Trades Union Congress, composed as it is of craft, industrial and general unions, has consistently taken the stand that no union has an exclusive right to organize any class of worker.

(2) By formal action of the General Council, endorsed by the 1924 Congress: (a) All union membership applications "should contain an inquiry to be answered by the candidate as to whether he is or has been a member of any other Union, and, if so, what his financial relationship to that Union is;" (b) no member of any union should be accepted by another without inquiry from the union concerned, or be allowed to escape his obligations by leaving one union while in arrears and joining another; and (c) "under no circumstances should a Union accept members from any other Union which is engaged in a trades dispute."

Permissible picketing is defined by successive acts of Parliament as attending by one or more persons acting on their own behalf or on behalf of a trade union or of an individual employer or firm in contemplation or furtherance of a trade dispute, at, or near the house where a person resides, or works, or carries on business

or happens to be, or the approach to such house or place, in order merely to obtain or communicate information, or to peacefully persuade any person to work or abstain from working, provided that they do not so attend in such number or otherwise in such manner as to be calculated to intimidate any person in such house or place, or to obstruct the approach thereto, or egress therefrom, or to lead to a breach of the peace.

In the case of strikes involving only a portion of a plant, the plant may be operated with the men who remain at work, but they are not usually asked by the employer to do the work of the men on strike; order is generally preserved and men are not forcibly prevented by picket lines from going to or coming from their work.

By the Act of 1927, "established civil servants" are forbidden, with minor exceptions to belong to a trade union affiliated with trade unions outside the civil service. The prohibition does not extend to industrial employees of the government, or to municipal employees.

Trade unions cannot be incorporated. Voluntary registration of trade unions was provided for under the Trade Union Act of 1871, and voluntary certification in lieu of registration by the Trade Union Act of 1913.

The principal benefit of registration is that it enables a trade union to carry on its affairs through a board of trustees that has continuing existence. At the end of 1935 less than half the trade unions were registered, but those contained about three-quarters of the total union membership in Great Britain.

The Minister of Labor, is sometimes called upon under the provisions of collective agreements to appoint impartial arbitrators or chairmen, and for this purpose the Ministry maintains a panel of qualified and experienced citizens who are willing, when called upon, to serve such capacities. The Ministry also maintains a staff of full-time trained conciliators, with divisional offices. Their duty is to keep intimately in touch with industrial conditions in the areas which they cover, to anticipate trouble and if possible forestall it, and to shorten it as best they can when it comes. They have no power, and their success depends on their skill in conciliation.

The Trade Board Acts which authorize under certain conditions the crea-

tion of boards composed of representatives of employers, employees and the public have power to fix minimum wages and to declare normal working hours with overtime rates thereafter in particular industries.

Each Trade Board is required to fix for its own industry a "general minimum" time rate of wage. They commonly fix, also, general minimum piece rates, and, if the occasion requires, "Piece Work Basis."

The process of fixing rates has been described as one of bargaining, with the course of the negotiations influenced by the fact that any deadlock may be settled by the votes of the independent members.

Trade unionism in a weak and struggling condition rather tends to increase the number and bitterness of industrial conflicts. The most quarrelsome period of a trade's existence is when it is just emerging from the patriarchal conditions in which each employer governs his establishment and deals with his own men with no outside interference, but has not yet fully entered into that other condition in which transactions take place between strong associations fully recognizing each other.

Unemployment insurance, begun in 1911, now covers over 13,000,000 workers, with equal contributions from workers, employers and the government. Health insurance with medical aid has also been in effect many years. This fund is sustained by equal contributions from the worker and the employer, with government aid. Old age insurance on a basis of equal contributions from workers and employers with grants from the government has been in effect many years.

The national unions have great stability. In many of the unions the administrative officers are not subject to annual election but are appointed during good behavior by an elected executive council or board (normally elected each year), and in practice they generally continue in office until retired, provisions being made for automatic retirement at a certain age with a pension. With reasonably assured tenure these men acquire knowledge of the problems of their industries through repeated personal contacts with the employers and through the process of negotiating national agreements.

The large funds administered by the principal unions in the way of

unemployment, sickness, and accident, superannuation, funeral and other benefits may furnish an additional element of stability.

Finally, and most important, the acceptance and general practice of collective bargaining on an industry basis places upon the employers and workers organizations because of the sheer numbers of men and the magnitude of interests involved, a peculiarly heavy responsibility calculated by its very nature to call forth patience, understanding, and a desire to make and keep arrangements and to achieve industrial peace.

Secretary Hull's Radio Address

Excerpts from a radio address by Secretary Hull broadcast on August 16:

All nations have a primary interest in peace with justice, in economic well-being with stability, and in conditions of order under law. These are constant objectives of this country. Each of these objectives is today seriously jeopardized in many parts of the world. All governments and all peoples should therefore be on guard against certain dangerous developments which imperil them, and be alive to the issues involved.

Out of these menacing developments there has arisen and there confronts the nations today a clear-cut issue: Is the future of the world to be determined by universal reliance upon armed force and frequent resort to aggression, with resultant autarchy, impoverishment, loss of individual independence and international anarchy? Or will practices of peace, morality, justice and order under law, resting on sound foundations of economic well-being, security and progress, guide and govern in international relations?

As modern science and invention bring nations ever closer together, the time approaches when, in the very nature of things, one or the other of these alternatives must prevail. In a smaller and smaller world it will soon no longer be possible for some nations to choose and follow the way of force and for other nations at the same time to choose and follow the way of reason. All will have to go in one direction and by one way.

The first of the alternative ways

leads through military adventuring to international lawlessness, the result of which is chaos and loss of precious values which, through centuries of struggle, toil and sacrifice, civilized nations have slowly achieved. The other way leads, through exercise of moral restraint and observance of international obligations and treaties, to conditions of order based upon law, giving security and facilitating progress.

In the circumstances which prevail in the world today, no nation and no government can avoid participation in determining which course will be taken. The issue is fundamental. Consciously or unconsciously, every country is throwing the weight of its attitude and action, positive or negative, toward one course or the other.

There is and there can be no doubt as to the preference and the desire of the people of this country. We want peace; we want security; we want progress and prosperity—for ourselves and for all nations. Our practical problem is that of finding and employing the best methods, of keeping our eyes and our feet upon the better way, of cooperating with other nations that are seeking as we to proceed along that way.

On this problem the government of the United States has been and is constantly at work. Toward its solution, we sought at the conference at Buenos Aires in December, 1936, to broaden our combined economic and peace program by proposing and urging upon peaceful nations everywhere the adoption of a program based on principles of world law and international order. This program calls for constant reaffirmation, revitalization and stressing of fundamental principles.

We believe in, we support and we recommend to all nations economic reconstruction as the foundation of national and international well-being and stability.

We believe in, we support and we recommend adherence to the basic principles of international law as the guiding and governing rules of conduct among nations.

We believe in, we support and we recommend respect and observance of treaties, including, in connection therewith, modification of provisions of treaties, when and as need therefor arises, by orderly processes carried out in a spirit of mutual helpfulness and accommodation.

We believe in, we support and we recommend voluntary self-restraint, abstention from use of force in pursuit of policy and from interference in the internal affairs of other nations, and the settlement of differences by processes of peaceful negotiations and agreement.

We believe in, we support and we recommend to all nations that they be prepared to limit and progressively reduce their armaments.

We believe in, we support and we recommend collaboration between and among representatives of the nations, and in the freest possible intellectual interchange between and among their peoples, to the end that thereby understanding by each country of the problems of others and of problems that are common to all may be promoted and peaceful adjustment of controversies be made more readily possible.

We believe in, we support and we recommend international cooperation in such ways and by such methods as may be practicable for the advancement of this program.

Each day's developments make more and more clear the fact that our own situation is profoundly affected by what happens elsewhere in the world.

Whatever may be our own wishes and hopes, we cannot when there is trouble elsewhere expect to remain unaffected. When destruction, impoverishment and starvation afflict other areas, we cannot, no matter how hard we may try, escape impairment of our own economic well-being. When freedom is destroyed over increasing areas elsewhere, our ideals of individual liberty, our most cherished political and social institutions are jeopardized.

When the dignity of the human soul is denied in great parts of the world, and when that denial is made a slogan under which propaganda is set in motion and armies take the field, no one of us can be sure that his country or even his home is safe.

Hence it becomes necessary that as a nation we become increasingly resolute in our desire and increasingly effective in our efforts to contribute along with other peoples — to the support of the only program which can turn the tide of lawlessness and place the world firmly upon the one and only roadway that can lead to enduring peace and security.

THEY SAY

Translations and Quotations from the Press of the World

England Looks at Harlan

Harlan is one of those isolated mountain communities that exhibit at their worst the American hostility to trade unionism and the violence with which it is repressed. Out of a total population of 65,000 nearly 50,000 are miners and their families living on company property. The coalowners have ruled for a generation in their own interest, and the law has been administered for them by their own paid deputy sheriffs. The Wagner Act, establishing freedom of organisation, came to the coalowning oligarchy as a bitter blow. For years they had waged bitter war on union organizers, and the place had become known as "Bloody Harlan." Now the union had received statutory authorisation. When it tried to organise it found so tight a cordon drawn round that it could only get in its literature by dropping it from an aeroplane. In January last year two organisers arrived "after being chased round for days"; within a few days their hotel was attacked by tear gas and their cars were dynamited. A few days later an organiser was shot at while driving down a street. Four days later two of their cars were ambushed in broad daylight, and one man was wounded; on the same day the son of an organiser was shot by bullets intended for his father. Two months later another organiser was killed. The broad facts are not in question and have already been exposed in a Senatorial inquiry.

The Wagner Act has no penal sanction and the Government proceeded against the Harlan coalowners by invoking an old statute against the Ku-Klux-Klan which makes it a criminal offence to conspire to defraud citizens of constitutional or statutory rights. The evidence has been incredible, at least by standards of English labour relations; the worst episodes in the early struggles between owners and miners in South Wales are tame by comparison. Some of it, however, has not been without its humour, as in the descriptions of how one coal company

put on "strip tease" shows as a rival attraction to union meetings! In the end, after eleven weeks, in the course of which fourteen of the defendants were dropped, the jury disagreed. Five were for conviction of the lot, three were for acquittal, and four felt that some should be convicted and some acquitted.

The prosecution is moving for a new trial. There is every political reason why it should, because a conviction in the Harlan case would have immense



Chamberlain Fishes

"Which would be the best bait? The Sudeten or the Portuguese Colonies?"

importance in fortifying the Federal Government against the many industrialists who, though less crude in their methods than the coalowners of Harlan, are prepared to fight trade unionism to the bitter end. But a mass trial of this sort seems an extremely unsatisfactory method of procedure if justice is to be done. Neither in Russia nor in our own South Wales coal-field cases can the results of "mass trials" be said to have been the best means of getting at the truth and fitting the punishment.

—The Manchester Guardian.

The War Goes On

Japan's casualties have so far reached an estimated total of 300,000. The cost to her of all this enterprise

in "making friends of the Chinese people" can be estimated by using as a basis the *per diem* cost of the Great War to Great Britain, or by watching Japan's appropriations. Yet this full-dress war is but an "incident" according to Japanese Army professions; though to their people at home it will soon reveal itself as a monstrous major calamity, launched without justification and continuing without benefit to anyone except the providers of equipment and munitions. And there's the tragedy!

The Japanese were aware that unity was coming to China, and they did not like it. They realised, too, that there were some changes pending that would prove of great detriment to their ambitions if permitted to develop without interruption.

While we, in China, do not expect any Powers to fight for us; while we understand their present reluctance to commit themselves to any action likely to be construed as provocative to Japan, there is one thing we do not understand. It is the failure of the Powers to try to force Japan to respect those humanitarian principles which are regarded as being the basis of civilization. What Governments are reluctant to do, however, peoples can do. They can realistically demonstrate that "undeclared" warfare, with its revival of barbarism, will not be tolerated.

—Extract from an article in *The Birmingham Post* by Madame Chiang Kai-shek.

What Rainy Day?

Startling lights on German Government calculations are thrown by an authoritative investigation just completed within Germany by competent financial and economic "observers."

While foreign attention has been concentrated on German difficulties within Austria, and on the debt question, there had been until this survey was made very little attempt to find out just what the Germans did with the foreign exchange reserves they secured by the invasion.

Detective work among the trade returns disclose that:

(1) The amount they got in foreign

"IF IT WERE DONE WHEN 'TIS DONE, THEN 'TWERE WELL
IT WERE DONE QUICKLY! IF THE ASSASSINATION
COULD TRAMMEL UP THE CONSEQUENCE, AND CATCH
WITH HIS SURGE, SUCCESS! THAT BUT THIS BLOW
MIGHT BE THE BE-ALL AND THE END-ALL HERE!"

—Macbeth



—NEA Service.

Meditation

exchange amounted to approximately £70,000,000.

(2) Since March 11th they have "blown" virtually the whole lot in a colossal buying spree — buying essential raw materials for armament production.

(3) The results upon the German trade balance have been such as to tilt it to a degree of import surplus unexampled since 1934.

(4) The "current consumption" figures are being faked by the Berlin authorities to suggest that a great part of this is being absorbed in current production.

(5) The fact is that it is not being absorbed at all but is being laid by — for a rainy day.

(6) It is estimated — though this calculation is probably less exact than the previous five points — that by this method, and as a result of the loot of Austria, the German military-industrial high command has acquired a sufficient visible reserve of raw materials within Germany to increase its potential capacity of resistance in a major war by a minimum of nine months — war consumption being reckoned on the same basis as it was when similar calculations were made before the invasion of Austria.

It is not only the quantity of the buying which has roused such serious alarm among those who have had the opportunity to study the figures, but also the terrific tempo.

It is pointed out that from a number of viewpoints it would have been very much more profitable for the German authorities to have spread their buying over a much longer period. It is in fact admitted in Berlin that this is so.

So what, it is asked, is the reason for

the great and expensive rush to spend £70,000,000 in this way in four months?

—The Week, (London).

Head Here!

A friend who has just been in Germany sends me the following:

Outside the Passion Play Theatre at Oberammergau is the following inscription:

Juden unerwünscht (Jews not wanted).

—Polycritic (London)

A Way to Oriental Peace

We Japanese should harbor toward our neighbors, the Chinese people, a sincere affection. It is my firm conviction that unless our two nations join hands in a spirit of true friendship and understanding, Japan will not only be unable to maintain her position of leadership in the Orient, but also will fail in her effort to contribute toward lasting world peace.

As you know, there is an infallible Way of Right for the Oriental peoples to follow. If, putting an end to the present unhappy situation between them, the two neighbor nations would live up to this mighty Way with candor, I feel sure that they would be able to enter into relations of lasting harmony and fruitful collaboration with each other.

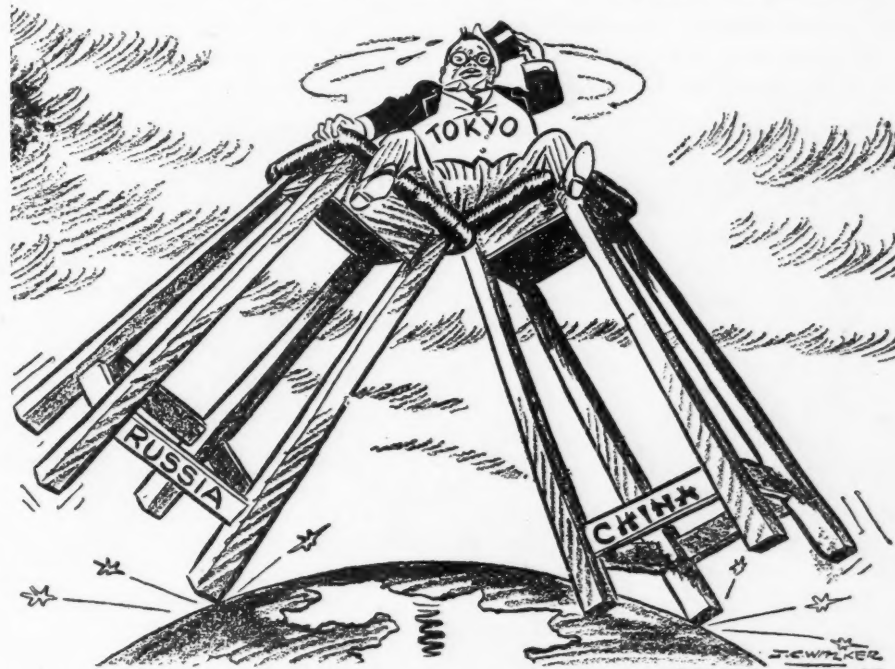
I cannot but hope, earnestly, that

the younger generation of Japan, such as you, will strive to acquire a further and deeper interest in China and her people. It is, indeed, your most important responsibility for the future to enlighten the Chinese masses and lead them to the truth that it is by no means difficult to attain real co-operation between their country and ours.

—From an address by Mr. Sadae Eguchi, at a banquet in honor of the graduates of Tokyo Commercial University—(Cultural Nippon).

Sleeping Dogs

The war debt to the United States is one of those unpleasant things we should all like to forget. Indeed our public men do sometimes forget that in the eyes of one large country at least we are defaulting debtors, and the pot has to be reminded by a little kettle, as in the recent interchange of notes with Mexico. It would be better for everybody if the debt to America were frankly cancelled, as has been the whole structure of European inter-governmental debts and reparations. But although the suspension of payments was an essential measure during the economic crisis of 1932, although it was right that a breach should be made in the Baldwin agreement, which was injuring both debtor and creditor, we cannot, unfortunately, treat the debt as dead. Lord Samuel, Lord Snell, and Lord Lothian spoke truly last week when they urged that it remains an important factor in Anglo-American relations and presents an obstacle to



Between Two Stools

Tokio: Honorable climb-down will be very difficult.

—South Wales Echo, Cardiff

full co-operation and friendship. American opinion is changing.

Last year a poll by the Institute of Public Opinion showed a majority of 54 per cent in favor of collection of the war debts in full; this year the majority is 53 per cent in favor of reduction or cancellation. But this does not mean that the debtors' point of view is generally accepted, that the sense of having been "done" by Europe is removed.

The United States, however, will not make the first move. It will have to come from Britain, and in a more realistic way than the formal enunciation every half-year of our willingness to reopen discussions whenever circumstances promise a "satisfactory result."

Admittedly, it is much easier to let sleeping dogs lie. Neither the American Administration nor the British Government (to say nothing of the French) relishes the prospect of a revived controversy. All the same, debates like that in the Lords last night have their uses in showing that the defaulting debtor, however just he feels himself to be, is not entirely unmindful of his creditor's state of mind.

—The Manchester Guardian

Inside Austria

There is nothing to suggest that the Nazis can rely on the support of the Austrian population in the event of war. It is not exaggerated to say that the western powers can count on very considerable assistance behind the German lines in Austria.

Apart from the serious manifesta-

tions of organized wage movements, distribution of the Communist newspaper, et cetera, observers in the factories report anti-Prussian feeling exhibiting itself in the smallest details of daily life.

On the day after the Louis-Schmeling fight—after Nazi radios had ballyhooed Schmeling and impending victory as a politico-racial affair—working men meeting in the Vienna workshops gave the obligatory Hitler salute and whispered "Heil Louis."

Tank manœuvres south of Vienna are providing an example of both of the poor performance of the tanks and of the attitude of the normally kind-hearted Austrian peasant.

One of the compilers of this report—who has spent some time harmlessly hiking through the area—states that the number of fatal accidents to the tanks is striking, and is the talk of the district.

The same informant found the following distinction between the peasantry of the low lying land and of the hills:

In the more "sophisticated" valley areas no one cares much about Schuschnigg or worries about his fate; he has ceased to be an issue, being held to have failed despite all his promises to defend Austria against the invasion, and to have been responsible for the delivery of Austria to the present tyranny.

"If Hitler attacks the Czechs, how soon can the Russians come?" is the question those people are asking, and the star in the East is the theme of their pub talk in the evenings.

The mountain peasantry, cattle-

tenders and devout Catholics, on the other hand, see the fate of Schuschnigg still in the centre of the picture. Repeatedly they ask the question, "What are those swine doing to our Schuschnigg?" And (characteristically for the anti-Viennese complex of the mountaineers) "Why don't the damned Viennese rise and set him free?"

—The Week (London).

British Journalist

The charge (made by Japan, that British newspapermen in China are bribed) has been the subject of much flippant comment among the generally penurious newspaper community. Who has been getting the money? And how much? Affluence is so unusual in the profession that it seldom escapes notice and a degree of friendly envy. And, besides, there is the ancient and oft-quoted quatrain:

You cannot hope to bribe or twist—
Thank God!—the British journalist.
But seeing what the man will do
Unbribed, there's no occasion to.

So far the only documents produced affect foreign correspondents not at all.

—North China Herald (Shanghai).

The Opium Question

Though opium smoking is an expensive habit, its practice is not confined to rich people. Among 30,833 registered addicts in Shanghai, 17,995 belong to the poorer classes. Also the fact that opium addicts are found among both young and old people shows that age is not an important criterion. The following table shows the distribution by age of addicts in Shanghai:

Under 20	17
21-30	2,248
31-40	9,468
41-50	9,437
51-60	6,628
61-70	2,698
71-80	351
81-90	22

The figures illustrate clearly that the age of the majority of addicts is between 30-50. In other words, people are being ruined in the prime of life. For the sake of national reconstruction, it is necessary to turn those miserable and unproductive people into useful and industrious citizens of the country. Out of the total population of 2,028,814 in



The Owner: Quiet as a lamb he was, Sir, till that great brute next door tried to bite him!

—Glasgow Bulletin

Shanghai, there are 30,833 registered opium smokers, the ratio being 1:51. This percentage, however, by no means reveals the true state of affairs, since a large number of addicts are unwilling to undergo the humiliating experience of being registered.

Various means have been devised to combat the evil of opium addiction. One of these measures, for instance, is to infuse the knowledge into the people regarding the necessity of the suppression campaign. China, it may be recalled, has begun work on a six-year program.

General Chiang Kai-shek, in his capacity as the Superintendent-General of the Opium Suppression Commission, has issued from time to time instructions to local authorities that suppression measures should be strictly enforced. All addicts should be registered, and no poppy cultivation would be allowed except in a few districts outlined in the six years' programme. Special opium suppression commissioners and inspectors were sent to different provinces and municipalities to investigate the actual situation and see if the law has been effectively carried out. Investigation is, however, of high importance as China is a vast country and conditions in distant provinces are very complicated.

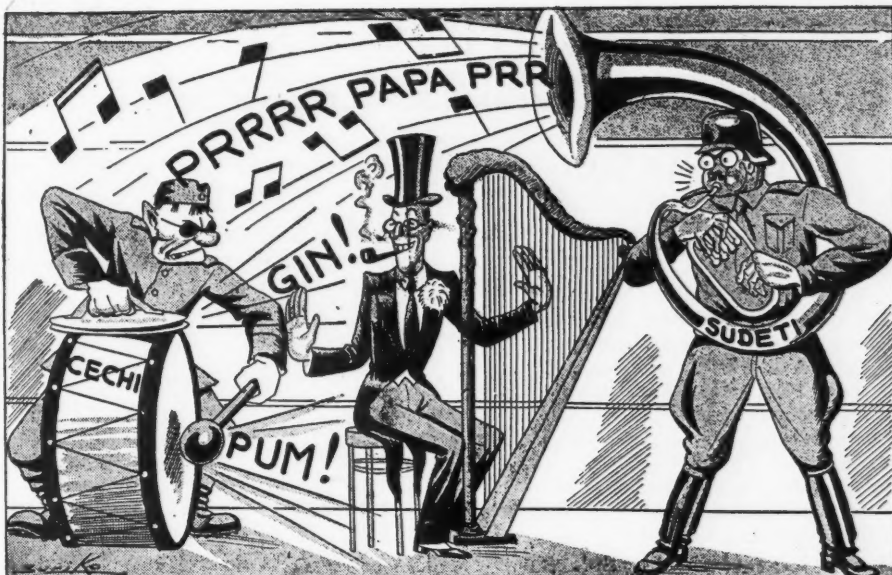
—Opium Suppression in China, published by the Council of International Affairs (Nanking).

Exile in Prague

You rap on the window in a prescribed rhythm, submit to inspection somewhat in the manner of the historic American speakeasy, and then enter an abandoned factory on the outskirts of Prague, to find 136 German refugees (only two or three Jews among them) whose experiences you'd better not listen to if your stomach revolts easily.

Here is one, a worker on the Hamburg docks, just out of Fuhlsbüttel, one of the very worst of the concentration camps. His head is still swollen from blows. He talks in wild excitement. Every time someone draws near he jerks himself up in fear. It will be awhile before he calms down. He has been out two weeks, but he hears, still, in his sleep, the day and night howling from the women's cells.

He was arrested with 26 others, was beaten green and blue by the Gestapo. Then Fuhlsbüttel. There he slept at night on an iron bed without any bedding. During the day the only place to sit down was the toilet. For five-hour



THE COMING CONCERT

Lord Runciman: Now we three will strike up a delicate and harmonious symphony!

periods he had to stand, perhaps to amuse the guards, with his forehead against the wall. That's not so easy, especially when you've had little to eat. If he moved an inch his face was pushed against the wall until the blood ran. Then followed the light occupation of carrying huge stones to a designated spot, only to be ordered the next day to remove them a few yards.

Over and over again, the recital of such tortures—denial of medical aid when really ill and in pain; confinement in a cell too small to allow standing erect; teeth knocked out, nerves left exposed; wet cloths wrapped around the heads to prolong the conscious enjoyment of floggings—such as made the victims beg to be shot.

At last, if one is lucky, and has signed a statement that he has not been ill-treated, dismissal, accompanied by the threat that if anyone in the entire street where he formerly lived "spreads any lies" he will be taken into "protective custody" again. Then, fast as bruised limbs permit, and without any farewells, over the border; and if a man's home was in Bavaria, Saxony, or Silesia, he will probably crawl over the mountains and through the woods into the free air of democratic Czechoslovakia.

—New Statesman and Nation (London).

Worms for Breakfast

An expert in educational psychology went out from England to a job in one of the British Dominions, with

his wife and *enfant terrible* of a small daughter. They were devotees of the full - encouragement - of - personality school, no frustrations. At breakfast one morning the child pushed her cereal away, pettishly announcing that she did not want it and would not eat any of that breakfast. "Well, darling, what would you like?" A whimper: "I want a worm." Daddy, running true to form, goes into the garden, brings in a fat one, and lays it on her plate, "There you are, my dear." Indignant sobs: "But I want it cooked!" It is sent into the kitchen, rolled in batter, cooked, and brought back. Sobs again. "I want Daddy to have half!" Daddy divides the worm-pie, pulls himself together, and manages to get his portion down. This time, sobs and howls: "But that was the part I wanted!"

—Polycritic, (London).

Italian View

How they do cackle, those famous men of the United States! Roosevelt, placing fascism and communism together, calls himself the enemy (Public, No. 1?) of both, and promises to defend democracy, menaced by the authoritarian regimes.

Cordell Hull, in his speech, wants to defend, to moralise, to humanise. . . . Why don't they think of defending American children from kidnapers, of humanising their gangsters, of moralising the police who, it seems, protect them?

With so much to do at home, how can they find time to think of others?

—Il Travoso delle Idee, (Rome).

CHRONOLOGY

Highlights of Current History, Aug. 9-Sept. 7

THE NATION

Foreign Relations

- AUG. 14—J. D. M. Hamilton, in a letter to Secretary Hull, alleges wide deceit in "propaganda" for trade pact program.
- AUG. 16—World program for peace outlined by Hull in a radio address.
- AUG. 18—Roosevelt assures Canada of our help if she is attacked. He holds that pledge does not expand the Monroe Doctrine.
- AUG. 25—Hull, in a note to Mexico, asks a halt in land seizures and arrangements for payment of those made.
- AUG. 26—Mexican press assails Hull's note as an attempt to violate that nation's sovereignty.
- United States makes a sharp protest to Japan over her attack on a Chinese airliner.
- AUG. 27—Hull, on tenth anniversary of Kellogg Pact, reminds nations of their pledges.
- AUG. 31—Japan rejects our protest.
- SEPT. 3—Hull accuses Hamilton and his wing of the Republican party of false attacks on the trade treaties.
- SEPT. 4—Mexican note rejects U. S. demands for immediate payment of expropriated foreign properties.
- SEPT. 6—Registration of all propagandists for a foreign principal is ordered by the State department.

Treasury

- AUG. 15—Senator Harrison predicts a broader tax base unless business shows a marked revival.
- SEPT. 6—Treasury asks \$2,100,000 of Ras-kob and Pierre S. du Pont based on the decision in a 1929 income tax case.

Army and Navy

- SEPT. 1—Navy assigns scouting squadron of 14 vessels to immediate duty on the Atlantic coast.
- SEPT. 2—Army air headquarters transferred for "strategical" reasons from Atlantic Coast to Illinois.

Agriculture

- AUG. 17—Wallace announces work on plan to subsidize exports of 100,000,000 bushels of wheat.
- AUG. 26—Government begins buying wheat surplus for subsidized exports and relief.

Government Bureaus

- AUG. 13—National Emergency Council reports to Roosevelt that the South is the nation's "No. 1 economic problem."
- SEPT. 3—Report to Roosevelt on incomes shows that a family in the nation's lowest third receives \$471 a year.

Dies Committee

- AUG. 12—Witnesses before Dies committee say that Nazi activities aim at sabotage in this country in wartime.

- AUG. 13—Frey of the A.F.L. submits list of 280 alleged Communists who hold key positions in the C.I.O.
- AUG. 14—Labor department official guides and protects Harry Bridges, a committee investigator asserts.
- AUG. 17—Eight high Federal officials linked with Communists by a committee member.
- AUG. 18—Youths who fought with Spanish Loyalists tell committee that American volunteers are now prisoners.
- AUG. 20—League for Peace and Democracy was born in Moscow, Matthews, ex-leader, tells the committee.
- AUG. 30—Miss Perkins refuses to push the deportation of Bridges as requested by the committee.
- SEPT. 8—Roosevelt has not replied to the committee's request for help in its investigations, it is revealed.

Power

- AUG. 9—TVA inquiry gets a geologist's report saying that Senator Berry tried to "hold up" Authority on marble in 1934.
- AUG. 18—Lillenthal denies aiding Berry in attempt to collect claim against TVA. He accuses A. E. Morgan of a coercion scheme.
- AUG. 31—Counsel says litigation against the TVA cost the Authority and consumers \$13,500,000.
- SEPT. 6—Texas utility company offers to sell its properties in 16 counties to the Lower Colorado Authority.

Labor

- AUG. 15—Roosevelt promises expansion of the Social Security Act.
- A. F. of L. challenges Labor Board's order, holding that the longshoremen decree exceeds its powers.
- AUG. 18—A.F.L. counsel, on Green's orders, drafts changes to the Wagner Act to curb the Labor Board's powers.
- AUG. 20—Green reports after Hyde Park conference that Roosevelt concedes the need of a revision of the labor act.
- AUG. 22—A.F.L. plans to form a new group of 500,000 in an effort to break the C.I.O. maritime unions.
- AUG. 23—Roosevelt admits ambiguities in the labor act, but says that "face saving" will not mark its revision.
- AUG. 26—Roosevelt reappoints Donald W. Smith to a full five-year term on the Labor Board.
- AUG. 28—Green accuses NRLB and Lewis of a conspiracy to aid the C.I.O. in the Harlan coal fields.
- Harry Bridges takes command in the C. I. O. struggle at San Francisco.
- Regional conference of auto union in Milwaukee asks that money payments to the C.I.O. be cut off.
- AUG. 29—U.A.W. locals in North Tarrytown, N. Y. and Flint, Mich., asks Lewis to stop interfering.
- AUG. 30—A.F.L. demands a congressional inquiry of the charges of terrorism against the C.I.O. in the mining fields.

- AUG. 31—Lewis reports harmony in the flat glass union. He credits it to the C.I.O. acts barred by the U.A.W.A.
- SEPT. 1—British labor system is praised in a report made to Roosevelt by the Swope committee.
- SEPT. 4—Green and Lewis, in Labor Day statements, exchange challenges in their labor feud.
- SEPT. 7—Clerks in San Francisco stores go on strike. Violence flares.

Political Groups

- AUG. 9—Letters over Senator Guffey's name calls on jobholders and WPA workers for campaign funds.
- AUG. 16—Senate committee orders an inquiry on the campaign letter sent over Guffey's name.
- AUG. 22—Hopkins criticizes the Workers Alliance as soliciting political funds from persons needing relief.
- AUG. 27—Representative Wadsworth at Indiana "cornfield" rally, charges New Deal "bribery" to aid "purge."
- SEPT. 2—Roosevelt, in press conference, says he prefers a liberal Republican to a conservative Democrat.
- SEPT. 4—Browder asks Communists to back Roosevelt in election conflicts.
- SEPT. 5—Roosevelt pledges a liberal Democratic party in a Maryland speech. He asks for a farmer and labor alliance.
- SEPT. 6—Governor Benson of Minnesota tells Roosevelt that the Northwest backs his plan to elect "liberals."
- SEPT. 7—Plan to raise a \$50,000 fund to help elect friends to Congress is dropped by the Workers Alliance.

THE STATES

The Primaries

- AUG. 9—Bulkley wins senatorial renomination in Ohio. Sawyer defeats Governor Davey for Democratic gubernatorial nomination. Taft wins Republican senatorial nomination over Day.
- AUG. 10—Roosevelt endorses Lawrence Camp for the Georgia senatorship over Senator George. Senator Pope, Idaho New Dealer, defeated for renomination. Mrs. Caraway wins Arkansas senatorial renomination.
- AUG. 13—Representative O'Connor of New York and Senator Tydings of Maryland put on Roosevelt's "purge list."
- AUG. 23—Roosevelt attacks voting by Republicans in Democratic primaries as violating political morality.
- AUG. 28—Roosevelt states preference for Johnston in South Carolina primary.
- AUG. 30—Senator Smith, Roosevelt "purge" target, is renominated in South Carolina Democratic primary. Downey, \$30-a-week pension advocate, defeats Senator McAdoo for California nomination.
- SEPT. 6—Senator McCarran defeats two "100 per cent" New Dealers in the Nevada Democratic primary.

New York

- AUG. 17—The state opens its case against James J. Hines, Tammany boss, as alleged political fixer for gangs.
- AUG. 26—Constitutional convention adjourns after voting to submit new constitution to the people in nine sections.

Pennsylvania

- AUG. 22—Four die mysteriously by violence in isolation blocks during a Philadelphia prison hunger strike.
- SEPT. 2—Coroner's jury accuses 14 of the prison staff of "criminal negligence" in the deaths.

Aviation

- AUG. 11—German plane lands in New York City after a record 25-hour hop from Berlin.
- AUG. 20—Howard Hughes cuts the commercial transport record to 10½ hours in a west-east flight.
- AUG. 23—Frank Hawks and companion die in Buffalo hospital of injuries from a plane crash.
- AUG. 27—New British airliner, built for Atlantic service, breaks in two during a test flight.

Religion

- SEPT. 4—Cardinal Hayes of New York dies at Monticello, N. Y. at age of 70.

INTERNATIONAL

- AUG. 21—General Franco rejects the British proposal for the withdrawal of foreign "volunteers" from Spain.
- Germany welcomes Regent Horthy of Hungary with pomp.
- AUG. 22—Hitler parades Reich's sea power before Horthy at Kiel. A big new cruiser is launched.
- AUG. 24—Hitler guarantees Hungary's borders. Horthy declares Hungary's interests are similar to the Reich's and Italy's.

Czechoslovak Situation

- AUG. 26—Germany sounds three powers on war. Russia replies that it will defend Czechoslovakia.
- AUG. 27—British leaders warn Germany that an attack on Czechoslovakia may result in a world war. German press holds that Simon's speech will stimulate stubbornness on the part of the Czechs.
- AUG. 28—British cabinet is called as the German-Czech strain grows. British envoy to Berlin returns to London.
- AUG. 30—Britain empowers envoy to warn Germany about Sudeten crisis if the need arises. German press accuses British diplomacy of panic-mongering and rails against the Czechs. France reaffirms her aid to the Czechs.
- SEPT. 1—Hitler rejects Czech truce plan at conference with Henlein, but makes counter proposals.
- SEPT. 7—Henleinists break off their negotiations with Prague over an alleged "attack" on a Sudeten deputy. British cabinet debates its stand.
- SEPT. 8—Demonstrations by Sudeten Germans intensify the strain.

Spanish Civil War

- AUG. 9—Loyalists launch new offensive, driving deep into Rebel zone between Lerida and Balaguer.
- AUG. 10—Rebels push within 25 miles of Almaden mines.

- AUG. 16—Loyalist cabinet is reshuffled. Franco drops a "pro-British" adviser.
- AUG. 18—Spanish premier and aide of Franco visit Zurich simultaneously. Peace talks are reported.
- AUG. 27—Loyalist cruiser limps into Gibraltar after damage is done it in a fight with four Rebel ships.
- AUG. 28—Loyalists outflank Rebel drive on Almedan mercury mines, putting de Llano on the defensive.

Sino-Japanese War

- AUG. 24—Five Japanese planes sink Chinese airliner near Hong Kong.
- AUG. 30—Japanese resume drives toward Hankow, but face strong Chinese fortifications.

Russo-Japanese Tension

- AUG. 11—Truce ends firing on the Manchurian-Siberian frontier.
- AUG. 12—Two Japanese guards of parliamentary member shot by Soviet troops on Sakhalin frontier.
- AUG. 13—Russians and Japanese retire from Changkufeng lines.

Chile

- SEPT. 5—Chile crushes a Nazi insurrection in Santiago. Ibanez, a presidential candidate, is among the many seized.

France

- AUG. 12—France, alarmed by reports of Reich army movements, calls upon her diplomats for information.
- AUG. 21—Premier Daladier says that France must modify the 40-hour week to step up defense industries.
- AUG. 22—Two ministers resign over Daladier plea. They are quickly replaced.
- AUG. 24—Daladier's party supports his plan.
- AUG. 30—Forty-hour week abandoned.
- SEPT. 1—Conscripts start reporting to the army, which will be swelled to 825,000.
- SEPT. 5—Specialized troops are called to the colors for duty along the Maginot Line in the east.
- SEPT. 6—City of Marseilles taken over by the army to assure the communication line with Africa.
- SEPT. 8—France announces the completion of its border military movements necessitated by the Czech dispute.

Germany

- AUG. 15—Hitler opens vast Fall army maneuvers, testing Germany's mobilization machinery.
- AUG. 20—Germany calls its Davis Cup team home following a bad defeat at the hands of the Australians.
- Captain Thomas Kendrick, British passport officer, is expelled from Germany on a spy charge.
- AUG. 23—Germany tightens pressure on the Jews. Their use of safe deposit boxes is restricted. Approved Jewish names are listed.
- AUG. 25—Germany reveals new field guns in a military display staged for Horthy in Berlin.

- AUG. 28—Catholic bishops attack Nazis for their fight on the church in a pastoral letter read throughout Germany.
- SEPT. 5—Jubilation over the Austrian conquest is the first note sounded at the Nazi congress in Nuremberg.
- SEPT. 6—Hitler tells Nuremberg congress that an economic blockade can no longer hurt Germany.

Great Britain

- AUG. 14—Liner Queen Mary sets a new eastward record, arriving in Cherbourg 9 hours ahead of schedule.
- SEPT. 6—British home fleet sails for North Sea maneuvers as unrest persists in London.

Hungary

- SEPT. 4—Hungary will rush arming and conscription, the premier announces following his visit to Hitler.

Italy

- AUG. 20—Agreement is reached between the Vatican and Mussolini in the dispute over Italy's racial doctrines.
- SEPT. 1—Italy will expel Jews who have entered the country since 1919, it is announced. Citizens are included in ban.
- SEPT. 2—Recognized schools ban all Jewish teachers and students. 10,000 persons are affected.

Japan

- AUG. 31—The worst typhoon since 1905 strikes the Tokio area. Shipping is halted and communications wrecked.

Mexico

- AUG. 14—German and Japanese influences in Mexico is growing, as the U. S. trade suffers from Cardenas policies, it is said.
- AUG. 28—Member of cabinet is paid 100,000 gold pesos for his land which was nationalized by the government.
- SEPT. 1—Cardenas, in a speech before the Congress, rejects U. S. demands for payment of seized lands.
- SEPT. 5—Mexico makes a deal with the Reich to exchange oil for newsprint.

Palestine

- AUG. 9—Young men in Iraq enlist for "holy war" as the Moslem leaders ask aid for Arabs in Palestine.
- AUG. 18—British military column is ambushed by an Arab military band. Two soldiers are killed.
- AUG. 19—Arabs invade Hebron and battle troops in the streets. Three Britons and 50 rebels die in a clash at Nablus.
- AUG. 26—Twenty-one Arabs are killed when a bomb explodes in a Jaffa market.

Russia

- AUG. 14—Both houses of the Supreme Soviet approve the new budget. The financial methods are criticized.
- AUG. 30—Soviet navy has been denuded of its high officials of 1937, it is shown. Execution of admirals is admitted.

Travel

WHAT is Istanbul? Yes, you're right; it's nothing more than the new name for Constantinople, former capital of Turkey, and for centuries the meeting-place of Eastern and Western commerce and culture.

It is a shame that more Americans do not visit modern Istanbul, for they would find there the fascination and charm of the Orient of the past heightened by the veneer of the bustling twentieth century Turkey of Mustapha Kemal. It is true that many Americans made a brief stop-over in Istanbul when cruise ships touch there in January and February. But these are the months which constitute Turkey's winter, and so the impression they receive is hardly a fair one of the great old city.

When you're in Europe it's really no trouble at all to get to Istanbul. By rail, the Orient Express takes you swiftly through Central Europe and the Balkans. Several steamships plying the Mediterranean routes make Istanbul a regular port of call.

If you visited Istanbul more than fifteen years ago—before Mustapha Kemal came into power—and returned again today, you would find the city changed in many ways, and in most of them for the better. Street vendors and braying donkeys used to make sleeping during the early morning hours extremely difficult. Now vendors are forbidden to cry their wares before eight o'clock in the morning. Donkeys, as well as horses and carriages, are no longer allowed in the city.

Istanbul's skyline of minarets and mosques still remains as lovely as ever. The important mosques have been renovated recently, and are floodlighted on all Moslem and national holidays, as well as on Saturday nights. The Mohammedan holy days, which used to fall on Friday, has been changed to Sunday — a change typical of the westernizing tendency of the new regime.

The Aya Sophia Mosque, which at one time was the Church of St. Sophia, remains the most famous edifice in

the city. The new order has converted it into a museum, which charges an admission fee. On display are old church mosaics, kept under cover for many years but now in the process of restoration by an American archeologist.

The Mosque of Sultan Achmed, three centuries old, is the only mosque in the world, save for the Kaaba at Mecca, which boasts six minarets. In the park before it still stands the fountain presented to Turkey by Kaiser Wilhelm of Germany. The Mosque of Suleiman the Great, famous for its superb architectural design, is a favorite attraction of tourists, particularly on nights when its hundreds of electric lights are illuminated. In most mosques oil lamps of yore have been replaced by electric lights.

Use of electricity is increasing throughout the city. Electrically illuminated advertising signs are frequent, their lettering in modern Turkish, as required under Mustapha Kemal's rule.

Far from detracting from the charm of Old Istanbul, the electric lights give the city an appearance of jeweled splendor against the backdrop of dark blue sky.

Thanks to the enterprise of the Ataturk, the Yildiz Palace, residence of Sultan Abdul Hamid until his deposition in 1909, has been modernized and transformed into a meeting place for national and international conventions. You will need special permission to glimpse its gorgeous treasures, including many beautiful rugs. One of these is described, American-fashion, as "the largest rug in the world."

Your tour of Istanbul is not complete without a visit to the bazaars, which cover blocks of one of the oldest sections of the city. And before you leave you will want to see the big new Park Hotel where in the summer you may dine in a large glass-enclosed room that looks out over the Bosphorus, the Asiatic shore and Seraglio Point. On an average clear day you will be able to see Princes Islands, and when the visibility is very good,

you can discern the looming outline of Mount Olympus.

AMERICANS fond of traveling swiftly should feel right at home in Italy when a new electric locomotive with which the railroad is experimenting is put into regular service. The new engine has made 125 miles an hour on trial runs, and it is planned to put it into service on the Rome-Naples line in a few months. Streamlined electric trains now make this 130-mile run in an hour and fifty minutes, but the new locomotive should cut this time down to an hour and a half.

MANY tourists who venture into the northern England and Scotland have taken hikes along Hadrian's Wall, that ancient and now battered track of stone which stretches 73 miles across northern England from Solway to Tyne. Built over a period of four years during the second century, and named after the emperor Hadrian, the wall connected a series of forts and turrets. On the north side was a ditch, in places 15 feet deep and 40 feet across at the top. In the days when the Roman Empire represented western civilization, its purpose was to mark the northern boundary of the Roman world and to keep the unruly Scots from invading Britain.

Time has dealt badly with many parts of the old wall. For miles scarcely a trace of it remains; builders of farm houses, churches and towers all used it for building material. Even today the archeologist can readily identify stones from it in many a building in the neighboring countryside. The most striking part of the fortification that still remains is the stone wall itself, six to eight feet thick and once probably 14 or more feet high.

The ancient wall, prospective visitors to England will be pleased to know, is now being rebuilt as it was in Roman times. To restore it to its original appearance a special mortar is being mixed. Because of its expense, however, it will not be used as prodigally as by the Romans.

THE STORY OF A GERMAN TOWN

(Continued from page 25)

All prices are fixed, of course. The peasants no longer can bargain or try to get more than the official price."

Some peasants had objected to this system when it was instituted, he admitted, but only moral persuasion had been used to bring the recalcitrant ones into line.

"The local leader just makes a call on the peasant who objects and tells him that it would be better for him if he did as he was told. Here nothing more has been necessary."

In other rural communities, however, I had found reason to believe moral persuasion had not always been sufficient. In one Bavarian district—many of the Bavarian peasants at first were hostile to governmental control—I was told that fines had to be imposed. In one instance, a rich peasant was fined 1,000 marks for not obeying the governmental regulations.

"All the children must belong to the Hitler Youth," my friend continued. "They must attend weekly meetings regularly. This means that some members of each peasant's family are in constant touch with National Socialist influence."

"Perhaps once a month we have a community mass meeting at which some visiting leader speaks. Every once in a while the Kraft Durch Freude society—the Nazi labor unit formed to provide recreation and travel for members of the Labor Front—brings a movie film to the village. That always draws a crowd, for Goenningen has no other movie theater. Some films deal with educational subjects—better farming methods; others are ordinary romantic screen plays, such as you saw in the regular theaters in Berlin. There is to be one of these movie shows tonight. I had hoped that we might go, but all tickets are sold out. Admission costs from 35 to 65 pfennige (about ten to twenty American cents.)

"At 19 all young men must go to National Labor Camps to do six months of labor service. They work with pick and shovel on the roads or in the forests. One of my brothers is at one of the camps now. Beginning this year the girls are required to go to the Girls Labor Camps for a similar period."

My host pointed at the turf on which we were standing.

"You will be interested in this land. Up until recently this was community property. Then one of the larger peasants, a party man, had declared it a, "hereditary peasant" estates. That means that it can never be taken from him or his descendants, unless, of course, he proves himself a bad peasant and fails to administer the land properly. It cannot be sold. It cannot be foreclosed. It must remain forever in his family, to be passed on, intact, to his eldest son. This is one of the ways the National Socialists are trying to fasten the peasants to the soil.

"I'm not a Party man myself, but my brother-in-law is. Many of the villagers are. The peasants hereabouts are marching along with National Socialism because they think Hitler saved them from Communism, and that if it weren't for him they wouldn't have any farms at all."

There are no Jews in Goenningen, nor have there been for years. Yet the National Socialist anti-Semitic campaign has made a deep impression upon the younger generations of the village. Softened somewhat by the inherent kindliness of the Schwaebish temperament, I heard most of the stock anti-Semitic phrases I had become so familiar with in Berlin and in other parts of Germany. Some of the older people simply shook their heads regretfully when I mentioned the Jews, but young men came back at me in full force with protestations of the need of "purging Germany of those parasites."

As we passed the village tavern on our way home that evening, old Frau Wagner, whose family has owned and operated the tavern for five generations rocked across the floor toward us. She raised her arm in the Nazi salute.

"Heil Hitler," my host responded.

"Ja," it is better with Hitler," she told me good-naturedly, when I asked her what she thought of National Socialism. "Germany is going up these days. Before Hitler she was going down. Everything is fleissig now. Everything is in order. It is so better so than with the Bolshevismus."

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The World Today In Books

(Continued from page 5)

Q. Did they consider this sufficient punishment?

A. No. Thickly-populated areas were bombed and sacked after another clash between Japanese and Chinese troops. Armed Japanese civilians roamed about in bands, executing prisoners in batches. (Page 140)

Q. What did they give as their excuse, Mr. Young?

A. They said they were fighting in self-defense.

Q. Was there really any point to all this destruction of life and property?

A. No. Never did military operations on so large a scale have so little military purpose. No military need dictated the action and no military advantage was gained; but the moral effect on Japan was tremendous. People marched in the streets and sang songs. (Page 141)

Q. Before considering the present war, Mr. Young, would you say that Japan enjoyed freedom of speech and press during the years following the Shanghai and Manchurian incidents and preceding the present conflict, which were, comparatively speaking, years of peace when there might not have existed need for suppression?

A. Decidedly not. It has been the firm belief of the Japanese rulers that the Empire could not endure if every spark of intellectual honesty were relentlessly stamped out. This dread of truth is a phenomenon found all over the world, but seldom in such strength and abundance as in modern Japan. (Page 249)

Q. Do you think, Mr. Young, that Japan was justified in going to war over the incident at the Marco Polo Bridge, July 7, 1937?

A. I do not think so. Had the Japanese any wish for peace, an amicable settlement could have been made the following day.

The military men chose their own time and manufactured the necessary incident. (Page 295)

Q. What happened?

A. The Japanese then proceeded to launch a full-fledged war, with bombings, machine-gunnings, and an actual army of occupation numbering hundreds of thousands of men, in an attempt to subdue China. (Page 298)

Q. This all sounds very spontaneous, Mr. Young.

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A. Not at all. For many years past the Japanese army has been building up its plans for the conquest of China, which formerly knew nothing of nationalism because it knew of nothing except its own civilization. Now that it does, the realization comes late—but perhaps not too late to preserve its existence. (Page 300)

Q. Thank you, very much, Mr. Young; that is all. Oh, just one moment, Mr. Young. We have heard a lot about Western inability to understand Japan. Tell us, Mr. Young,—you have been close to them and know them well—tell us what there is about them that we cannot understand.

A. Well, one thing that Westerners never really understand is that Japanese have an entirely different conception of truth than that which exists in Christendom. When they gave definite promises, such as that Chinchow should not be bombed again and that Tsitsihar should not be occupied, and these promises are immediately broken, they are the least embarrassed of any. The Japanese have never been interested in philosophy, and having no difficulty in believing in incompatible things, do not see that incompatible statements create a difficulty. (Page 156)

Q. That is all, Mr. Young.

The foregoing testimony, of course, was based upon Mr. Young's *Imperial Japan, 1926-1938*, which takes its place alongside James A. B. Scherer's *Japan Defies the World* and W. H. Chamberlin's *Japan Over Asia* as our clearest, most authoritative volumes on Japanese militarism. Mr. Young has explained and analyzed in interesting, readable fashion the background necessary to a rounded understanding of Japanese aggression in the present war.

YOUR memory may fail you, so write down some place the name of Roger Burlingame's *March of the Iron Men* and do not be surprised next year if it should be announced as the Pulitzer Prize winner in American history for 1938. For Mr. Burlingame's book qualifies on every count; it has scholarship, readability, originality. Subtitled *A Social History of Union through Invention*, the book has as its theme the development of a nation through the ingenuity of its people. It tells of a new, vast, unbroken America tamed and harnessed to the needs of its settlers and immigrants. It tells

too of resultant problems brought about by the pattern of invention and social evolution, up to the Civil War.

This is not the first history of American invention. Alvin F. Harlow, Waldemar Kaempffert, and Holland Thompson are among the many authors who have been attracted to this theme. Nor is it the first work to consider the social implications of the machine; that has been done innumerable times, with Stuart Chase, Lewis Mumford, and H. G. Wells who represent but a few who have written books on the subject. Yet Mr. Burlingame's book might almost be said to break new ground. For he has confined himself for the most part to the nation's mechanical growth before 1865 and in so doing he has been able fully to develop his material. Moreover, most histories of invention or works analyzing the social implications of invention are concerned primarily with recent times: at least, the last fifty years.

Even the process of inventing has gone through an evolution, it appears from Mr. Burlingame's work. By 1865, he points out, the individual inventor was a legend of the past: "inventions could no longer be developed and made practical by a single genius. So we get factories of invention like Edison's and later the great industrial laboratories."

Industry before the Civil War was something akin to socialism minus the "industrial factor we associate it with today." It was more of an agrarian socialism, which, in the absence of capital, existed primarily in the holdings of blocs of potential wealth. Industrial progress was slow; instead of nourishing industry with capital—when and if they had it—men invested in land. It was not until the California gold rush that people became individualists in a financial sense. And when they did, they reached an apex of individualism never before attained in history.

IT MAY be because of the grog or the fog or both that Englishmen have not been able to view themselves as clearly as some foreigners. Of course, a few native Englishmen have written historical masterpieces on the Empire, Green, Trevelyan and Pollard among them. But perhaps the most penetratingly critical, certainly the most colorful, histories of the English were written by outsiders: Taine, Haw-

thorne and Maurois, to mention a few. Into this select company there now comes James Truslow Adams, who, up to this time, has been operating a one-man historical factory in turning out seemingly numberless works on Americana. But Mr. Adams apparently has a new interest—the British. *Building The British Empire*, covering the history of the English from earliest times up to the end of the first empire, is his first contribution growing out of this interest and there is a definite promise that more will be forthcoming.

That Mr. Adams should consider himself qualified to write on the English is perfectly understandable and justified. One cannot tell the story of America without knowing something of England. The histories of the two countries may not be inseparable but they are certainly strongly related. It is this relationship which has led Mr. Adams to make an exhaustive study of the English, which, coupled with a half-dozen years' residence in Great Britain, prompts him to remark in his preface that "the face of England is as familiar to me as the States of my native land."

There is nothing startlingly original that can be said about the English any more, and Mr. Adams' book is strong evidence that histories on the Empire have run out of "new angles." This is a good sign, for historians appear to far better advantage when collating and synthesizing than when straining to discover territory where even newspaper journalists fear to tread. The value of Mr. Adams' book is that he has realized that all the facts about the English have been turned up in one place or other, and that the one big job to be done is to string them all together in such a way so that people would want to read them out of sheer interest.

P. S.: He did the job.

Mr. Adams' work is not as incisive nor as compact as Maurois' *The Miracle of England*. But *Building the British Empire*, even limited to the 1800-year period it treats, is certainly more comprehensive, more likely to leave you with a rounded view of the Empire's development. Moreover—and perhaps this is the most important thing to be said about the work—it is as readable as anything Adams ever wrote about America—including his *Epic*—and greater praise hath no book.